

JULY 20, 1987

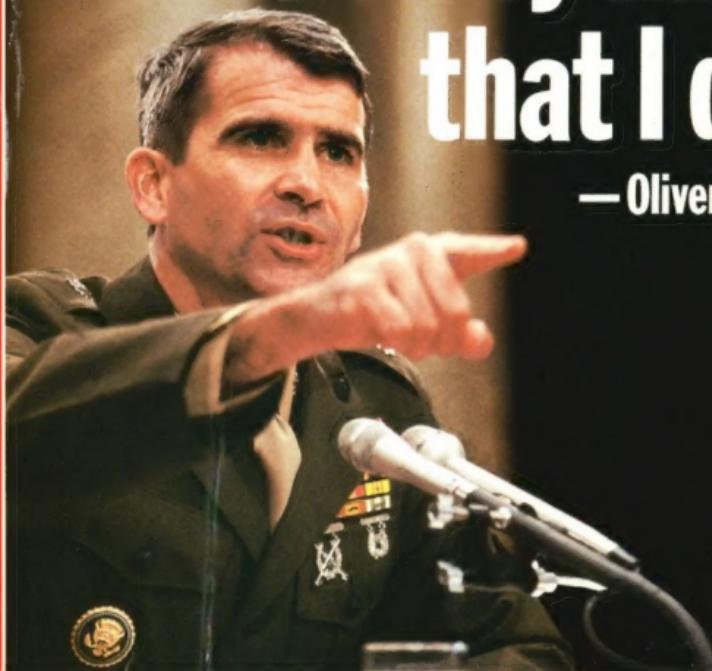
\$1.95

TIME

Close Calls
In the
Air

**“I was authorized
to do everything
that I did”**

— Oliver North



724404 3 0

048011

TOYOTA

QUALITY PARTS
AND SERVICE

PROTECT YOUR TOYOTA QUALITY.

Only Toyota Quality can maintain Toyota Quality. Protect the reliability you bought in the first place, with parts and service designed for your Toyota. Genuine Toyota Parts. Authorized Toyota Service.

Only at your Toyota dealer.

Toyota Service Technicians are trained to do the job right the first time, with the finest diagnostic methods and service equipment available. The continued performance, quality and reliability of your Toyota depend on Genuine Toyota Parts and Authorized Toyota Service.



ONLY THE BEST.

Your Toyota Dealer stocks quality parts designed specifically for Toyotas. They fit. They last. They protect your Toyota's quality.

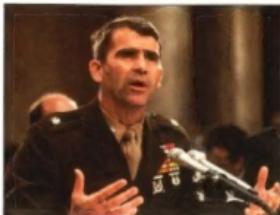


WHO COULD ASK **TOYOTA**
FOR ANYTHING
MORE!

COVER: Oliver North turns the tables on his congressional inquisitors

In a stunningly theatrical appearance, the outspoken Marine cloaks himself in honor and injured virtue. He insists he followed the orders of the President's top advisers. ► Despite a wave of Oli- liemania, a TIME poll shows that Americans find North more sympathetic than credible. ► This week the man most likely to implicate Reagan, John Poindexter, takes the stand. See NATION.

12



WORLD: An American-backed dictator in Panama faces mounting unrest

General Manuel Antonio Noriega rules the Latin American country from behind the scenes as its military commander. Now some Panamanians are demanding that he make an exit. ► Six technicians go on trial in the Soviet Union to face charges that they caused the Chernobyl nuclear disaster. ► Tapes reveal a bizarre plot by Ferdinand Marcos to invade the Philippines.

36



BUSINESS: Air passengers fume over increasing lapses in safety and service

As millions of travelers take to the air during the peak summer travel season, the Government is recording a surging number of consumer complaints, delayed flights, near midair collisions and air-traffic-control errors. The airlines are scrambling to improve conditions in the hope of easing growing indignation in Congress. ► Scandal dethrones the ZZZZ Best carpet-cleaning king.

52



30 Nation

The Soviets may intend to make SDI a summit issue. ► Would-Be First Lady Kitty Dukakis confesses to a former drug dependency.

63 Law

Is reckless transmission of the AIDS virus comparable to attempted murder? The courts try to cope with a new deadly weapon.

64 Living

Bumper-to-bumper traffic clogging America's expressways has forced frustrated drivers to experience life in the slow lane.

67 Design

With a furniture, housewares and clothing empire on both sides of the Atlantic, Britain's designating Conran family is a real-life dynasty.

4 Letters
8 American Scene
68 Press
69 Milestones
70 Environment
76 People

71 Books

Lawyer Scott Turow makes a smashing fiction debut with his gritty *Presumed Innocent*. ► What does it take to be culturally literate?

75 Cinema

From France comes *Jean de Florette*, an enthralling film that succeeds by using old-fashioned techniques and timeless values.

78 Music

Elvis died a decade ago, and buried beneath the commemorative hype are reissued recordings that remind listeners why he was the king.

Cover:
Photograph by
Terry Ashe

A Letter from the Publisher

The TIME Washington correspondents who reported this week's cover stories did what almost every American near an electrical outlet tried to do last week: they watched Oliver North testify on Capitol Hill. But the correspondents attended the sessions in person and then called sources for reaction. "More legwork is required in reporting major scandals than in any other type of reporting," says Congressional Correspondent Hays Gorye, who recalls wearing out a few pairs of shoes covering Watergate. "Sources are so few and reporters so many that dozens of calls are never returned. You have to track sources to restaurants, to their homes, even board planes to get interviews."

At the White House, the situation proved even more frustrating for Correspondent Barrett Seaman. "Just about everybody with any connection to Iran-contra matters is no longer working at the White House," he says. "Revisiting events from even six months ago is a bit like playing *Where Are They Now?*"

David Beckwith, who reported the profile on former National Security Adviser Admiral John Poindexter, knew where his subject was but found him reluctant to talk. "Until a few months ago," says Correspondent Beckwith, "Admiral Poin-



Duffy, Gorye, Beckwith and Seaman in the Senate Caucus Room

dexter and his wife Linda were readily accessible. As Poindexter began talking to the Senate committee and special counsel investigators, however, his lawyer ordered both of them to stop talking to reporters." When Beckwith sat next to his former source at a dinner this spring, Poindexter chatted happily about his computer hobbies and his family but said hardly anything about a certain arms deal with a certain country in the Middle East.

After months of chasing down elusive documents, Congressional Correspondent Michael Duffy arrived in the Senate Caucus Room last week to find aides distributing 500 pages of material to each reporter. As the week wore on, Duffy filled three loose-leaf binders with more than 1,150 pages of declassified documents, computer messages and memos—all toted around by him in an aging gym bag. From his seat only a dozen feet from North, Duffy watched for four days as the Marine went head to head with lawmakers. "It was a classic confrontation," he says, "and North seemed to relish it."

Robert L. Miller

"Wow, wait a minute, Doc! Are you trying to tell me that my mom has the hots for me?"

Michael J. Fox
—*Back to the Future*
April 1, 1985. On HBO.

Back to the Future. Out of Africa. Aliens. Return of the Jedi. Cocoon. Rambo: First Blood Part II. Gremlins. The Jewel of the Nile.

The Big Movie. Nobody brings it home like HBO.

HBO®

™ & ©Trademark of Lucasfilm Ltd. (LFL). Used under authorization. © 1987 Home Box Office, Inc. All rights reserved.

THE CBS COMPACT DISC CLUB HAS THE MUSIC YOU WANT TAKE ANY 3 FOR \$1

WITH
MEMBERSHIP



349324. South Pacific. K. Te Konova, J. Commerce, etc. [Digital—CBS]
348458. Dvorak: Cello Concerto—Yo-Yo Ma. Moonlight Sonata. [Digital—CBS Mastershot]
347153. Cyndi Lauper—True Colors. [Portrait]
346443. Andreas Vollenweider—Down To The Moon. [CBS]
346478. Madonna—True Blue. [Sire]
352326. The Psychedelic Furs—Madness Is Making Me. [Columbia/Island]
348979. Tina Turner—Break Every Rule. [Capitol]
343319. Janet Jackson—Control. [A&M]
349571. Boston—Third Stage. [MCA]

347492. Glenn Miller Orchestra—In The Digital Mood. [Digital—CBS]
293597. Led Zeppelin—Houses Of The Holy. [Atlantic]
344636. Rolling Stones—Beggars (Rolling Stones Records). [CBS Mastershot]
339944. Mozart—Symphony No. 40 & 41 (Jupiter—Kubelik, Bösendorfer, Vienna Symphony, Deutsches Cäcilie Ensemble) [Digital—CBS Mastershot]
344622. Anne Baker—Rapture. [Elektra]
345777. Peter Gabriel—So. [Columbia]
343391. Whitney Houston—Rhythm Nation. [Atlantic]
Motown's 25 #1 Hits From 25 Years. [Motown]
340323. Sade—Promises. [Portrait]

301049. Creedence Clearwater Revival Featuring John Fogerty/Chronicle 20 greatest hits. [Fantasy]
343313. Von Hellen Hillman—Idiots. [CBS]
339736. Rolling Stones—Rhythm & Blues. [Digital—CBS Mastershot]
326409. Bruce Springsteen—Born In The U.S.A. [Columbia]
344622. Anne Baker—Rapture. [Elektra]
345777. Peter Gabriel—So. [Columbia]
343391. Whitney Houston—Rhythm Nation. [Atlantic]
Motown's 25 #1 Hits From 25 Years. [Motown]
340323. Sade—Promises. [Portrait]

343095. Philip Glass—Songs From Liquid Days. [CBS]
294972. Simon & Garfunkel's Greatest Hits. [Columbia]
343604. Edokovskiy—1812 Overture. Marche Slave. Beethoven's Wellington's Victory—Mozart, Vienna Philharmonic [Digital—CBS Mastershot]
343251. Bob Golding With The Golden Group. [Digital—CBS Mastershot]
348710. Buddy Holly—From The Original Master Tapes. [Digitally Remastered—MCA]
352245. David Sonborn—A Change Of Heart. [Warner Bros.]
349670. Tenor Ariostos Opera With The Chamber Symphony, Gerard Schwarz. [Digital—Nonesuch]

348649. The Pochelbel Canon And Other Digital Delights. [The Toronto Chamber Orchestra—Digital—Fortlabel]
341073. Steely Dan—Steely Dan. [Digitally Remastered—MCA]
344721. Lionel Richie—Dancing On The Ceiling. [Motown]
353037. Miles Davis—Sketches Of Spain. [Digitally Remastered—Columbia/Decca Masters]
343097. Linda Ronstadt—Round Midnight. [Asylum]
343055. Robert Palmer—Riptide. [Island]
353045. Michael Davis—Down The Line Of Blue. [Digitally Remastered—Columbia]
345985. Billie Holiday—From The Original Decca Masters. [MCA]
353607. Lou Gramm—Ready Or Not. [Atlantic]

348318. The Police—Every Breath You Take—The Singles. [A&M]
346312. Billy Joel—The Bridge. [Digital—Columbia]
344721. Lionel Richie—Dancing On The Ceiling. [Motown]
353037. Miles Davis—Sketches Of Spain. [Digitally Remastered—Columbia/Decca Masters]
343097. Linda Ronstadt—Round Midnight. [Asylum]
343055. Robert Palmer—Riptide. [Island]
353045. Michael Davis—Down The Line Of Blue. [Digitally Remastered—Columbia]
345985. Billie Holiday—From The Original Decca Masters. [MCA]
353607. Lou Gramm—Ready Or Not. [Atlantic]



COMPACT
DISC
DIGITAL AUDIO

The age of CD sound is here—and you have a practical new way to find the CDs you want. As your introduction to the CBS Compact Disc Club, you can choose any 3 CDs listed in this ad for just \$1.00. Fill out the application—we'll send your CDs and bill you for \$1. You simply agree to buy 2 more CDs (at regular Club prices) in the next year—and you may then cancel your membership anytime after doing so.

How the Club works. About every four weeks (13 times a year) you'll receive the Club's music magazine, which describes the Selection of the Month for your musical interest...plus many exciting alternates. In addition, up to six times a year, you may receive offers of Special Selections, usually at a discount over regular Club prices, for a total of up to 19 buying opportunities.

If you wish to receive the Selection of the Month, you need do nothing—it will be shipped automatically. If you prefer an alternate selection, or none at all, fill in the response card always provided and mail it by the date specified. You will always have at least 10 days in which to make your

decision. If you ever receive any Selection without having 10 days to decide, you may return it at our expense.

The CDs you order during your membership will be billed at regular Club prices, which currently are \$14.98 to \$15.98—plus shipping and handling. [Multiple-unit sets may be somewhat higher.] After completing your enrollment agreement you may cancel membership at any time, if you decide to continue as a member, you'll be eligible for our money-saving bonus plan. It lets you buy one CD at half price for each CD you buy at regular Club prices.

10-Day Free Trial: We'll send details of the Club's operation with your introductory shipment. If you are not satisfied for any reason whatsoever, just return everything within 10 days and you will have no further obligation. So why not choose 3 CDs for \$1 right now?

ADVANCE BONUS OFFER: As a special offer to new members, take one additional Compact Disc right now and pay only \$69.5. It's a chance to get a fourth selection at a super low price!

CBS COMPACT DISC CLUB, 1400 N. Franklin, P.O. Box 129, Chicago, Illinois 60610. 819-1129. Please consider my membership application under the terms outlined in this advertisement. Send me the 3 Compact Discs listed here and bill me \$1.00 for all three. I agree to buy two more selections at regular Club prices in the coming year—and may cancel my membership at any time after doing so.

SEND ME THESE 3 CDs FOR ONLY \$1.00

My main musical interest is (check one):
(But I may always choose from any category)
ROCK/POP CLASSICAL

Mr. _____ Mrs. _____

First Name _____ Suffix _____ Last Name _____

Address _____

City _____

State _____ Zip _____

Do you have a VCR? (Check one.) Yes No 431918

Do you have a credit card? (Check one.) Yes No

ADVANCE BONUS OFFER: Also send me 1 fourth CD right now at the super low price of just \$69.5, which will be billed to me.

This offer is not available in HI, PR, AK, HI, Hawa, Puerto Rico. Please write for details of alternate offers. Canadian residents will be serviced from Toronto.

Note: We reserve the right to reject any application or cancel any membership.

Selections with two numbers contain 2 CDs and count as 2—so write in both numbers. © 1987 Columbia House

CBS COMPACT DISC CLUB: Terre Haute, IN 47811

EHS/C2
EH6/C3

Letters

Change in Seoul

To the Editors:

The student protests in South Korea [WORLD, June 29] have demonstrated one important fact: the outcry for democratic government will not die until that quest is successful. President Chun Doo Hwan must keep his promise to allow democratic elections so that the Koreans can regain faith in their government.

April I. Shin
Santa Ana, Calif.



In 1960 I was among those students throwing rocks at the police to protest the government of the late South Korean President Syngman Rhee. The tradition started 27 years ago has proved to be a healthy social phenomenon for the country. Every society needs a watchdog to keep an eye on the people who hold power. In the U.S. the Constitution satisfies that need at the spiritual level; the press does so at the functional level. In South Korea students have filled the vacuum and have become the watchdog group.

Elson Park
Salt Lake City

It is disgraceful for James Lilley, U.S. Ambassador to South Korea, to say he thinks Korean national security is more important than democratic reforms. With that comment he was either insulting the intelligence of the Korean people or misrepresenting American ethics. Many Koreans are convinced that their army cannot be deployed without American approval. Thus, when President Chun used the army to massacre civilians in Kwangju, Koreans became deeply disturbed by American policy.

Kyongtae Bae
Philadelphia

As a 1984 Olympic Games finalist in track and field, I find Jesse Jackson's threat to call for a U.S. boycott in 1988 because of human rights violations in South Korea to be the ultimate hypocrisy. Haven't politicians learned that boycotts do not change the governmental policies

of the host nations? Human rights in South Korea may be an important issue, but the U.S. should use a medium other than the Olympics to make a statement about violations of those rights.

Bill Green
1986 U.S. National Champion
Hammer Throw
Torrance, Calif.

It is difficult for me to believe that Jesse Jackson or anyone would want to boycott the Olympic Games in Seoul in 1988. The absence of our athletes at the 1980 Moscow Olympics certainly has not hampered Soviet efforts in Afghanistan.

Gilbert F. Maxwell III
Phoenix

Goetz Not Guilty

The acquittal of Bernhard Goetz [NATION, June 29] carries frightful implications. The jury's decision sends a message to society: a man may shoot four others in self-defense whether or not his well-being is actually threatened. And to those who live in our cities, two messages are evident: first, shoot to kill; second, whites may shoot blacks.

Charlie Slick
Boston

There was no racism involved in the verdict. There was only a notice to people who prey on those of us who appear to be meek that we are sick of being victims. Would Goetz have been less threatened if the toughs who demanded money from him were white? No. The fact is that both blacks and whites who want to feel safe in public areas applaud the verdict.

Alethia N. Williams
Atlanta

The jury's decision indicates that in America, retaliation with a gun is justifiable behavior when you are threatened with a screwdriver.

Jeffrey Jones
North Hollywood, Calif.

One of the central issues in *People v. Bernhard Goetz* was whether Goetz had reason to believe the four youths intended to rob him. Five dollars is not pocket change; Goetz would have had to open his wallet to get the bill, leaving himself vulnerable by giving Troy Canty a good look at how much money he had.

Sean Benson
Crookston, Minn.

The Goetz decision means that the good guys have finally won one.

Joseph M. Miceli
New York City

Stubborn Sparrow

In referring to the death of the last Dusky Seaside Sparrow, you say the birds "stubbornly refused to move" when their

habitat was destroyed by developers [NATION, June 29]. You make it sound as if their extinction was the poor birds' fault. Over the ages, those little sparrows managed to survive hurricanes, fires and floods. But they were no match for the bulldozers. It took nature tens of thousands of years to create the Dusky Seaside Sparrow. It took man little more than two decades to wipe it out.

David Wilcove
Silver Spring, Md.

Evocative Museum

As a combat veteran of World War II, I thought the U.S. had a great deal to do with stopping the German onslaught and with freeing prisoners from the terrible Nazi death camps. For this reason, I feel strongly that the proposed Holocaust museum for Washington [DESIGN, June 29] is wrong: it is the wrong place, wrong country, wrong time.

William E. Gladstone
Burke, Va.

The Holocaust was horrendous. But we do not need a museum in Washington memorializing its victims. Architect James Ingo Freed's work would be highly appropriate in Jerusalem, where it would be more relevant.

Robert A. Tourigny
The Woodlands, Texas

Most of my Austrian Jewish family were killed in the Holocaust, as were the families of many first-generation Americans. For those of us who have been personally affected, Freed's deliberately disturbing design is appropriate. It is important for those who will visit the museum to feel the discomfort and sense the fear that the word Holocaust evokes in most Jews. The museum will be more than a group of static exhibits. It will be an actual experience that promotes a deeper understanding of the horrifying event it represents.

Valerie C. Maass
Boston

Teaching the Beginnings

With its decision to strike down Louisiana's law requiring the teaching of creationism in public schools [LAW, June 29], the Supreme Court is forcing more and more students to be indoctrinated with the belief that the theory of evolution is fact, without the balance of other evidence. Evolution does not yet explain some vitally important questions about living forms, such as the vast chasm between man and other animal life. Religious doctrine should not be included in the public-school curriculum, but neither should a theory be taught as the final statement on origins while that hypothesis is still in the investigative stage.

Miriam L. McFadyen
Columbus



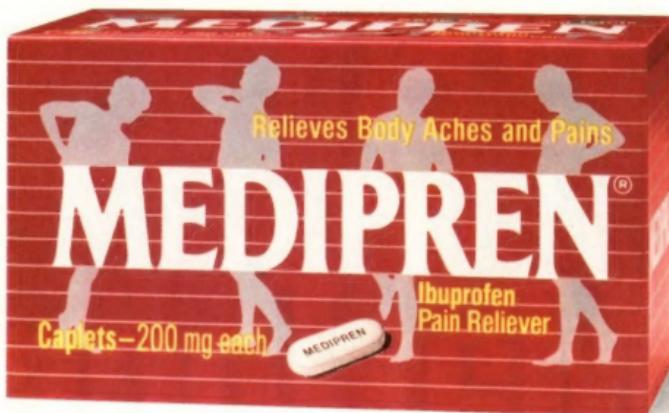
Marlboro

© Philip Morris Inc. 1987

SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

16 mg "tar," 1.0 mg nicotine av. per cigarette, FTC Report Feb. '85

FREE YOURSELF FROM BODY PAIN.



SEND IN THE ATTACHED CARD FOR A FREE SAMPLE.

MEDIPREN® works fast, because it contains ibuprofen, the same medicine found in the prescription brand Motrin®. Nothing you can buy without a prescription relieves body aches and pain, even headache pain, more effectively than MEDIPREN.

MEDIPREN. WHEN YOUR BODY HASN'T GOT TIME FOR THE PAIN.

© McN 1987

If aspirin allergic, consult your doctor before using. Motrin is a product of another company.

And MEDIPREN is safer to your stomach than aspirin.

For your free sample of MEDIPREN, fill out and send in the attached card, or write to us at: McNeil Consumer Products Company, MEDIPREN Free Offer, P.O. Box 4416, Maple Plain, MN 55348.

Letters

With the Supreme Court's creationism decision, Louisiana teachers will no longer be forced to present biblical literalism as science. However, the ruling says only that the Louisiana law violates the constitutional separation of church and state; it does not say that no one can teach scientific creationism—and unfortunately many individual teachers do.

*Eugenie C. Scott, Executive Director
National Center for Science Education
Berkeley*

High School Educator Donald Aguilard looks so proud of himself in the picture that accompanies the article concerning his challenge to Louisiana's 1981 Creationism Act. I feel sorry for him, the Justices who ruled in his favor and all those who played any part in this so-called victory. One day each one of them will have to stand before the God they have mocked.

*Barbara Towle
Kingston, N.H.*

Wobegon Goodbye

If Mark Twain could be reincarnated, he would surely choose to return as Garrison Keillor [SHOW BUSINESS, June 29]. What Keillor brought back to me in his tales of Lake Wobegon, and to millions of other listeners, was the magic of the imagination. Of equal importance has been the introduction of this magic to those generations raised on TV, which unfortunately encourages the viewer to put the mind in neutral.

*Alexis Jones
Charlottesville, Va.*

Volcano's Rebirth

Having been directly involved in research on the posteruptive soils of Mount St. Helens [ENVIRONMENT, June 15], I was interested in your observation that the burrowing of pocket gophers has helped mix and enrich the soil. The "bulldozer" effect of the pocket gophers and other small mammals should not be emphasized as or assumed to be the primary reason for the rapid soil development in the area. After the soils were buried by thick layers of pyroclastic flows and debris, complex physical and chemical processes began, aided mainly by the naturally produced acid rain resulting from gases emitted by the mountain. This has been the main cause of soil regeneration. The pocket-gopher theory, though appealing, is much too simplistic.

*Florenzo C. Ugolini
Professor of Forest Soils
University of Washington
Seattle*

LETTERS TO THE EDITOR should be addressed to TIME, Time & Life Building, Rockefeller Center, New York, N.Y. 10020, and should include the writer's full name, address and home telephone. Letters may be edited for purposes of clarity or space.

A woman with curly blonde hair, wearing a white button-down shirt and black pants, is leaning against a dark wooden structure. To her right is a bottle of Amaretto di Saronno liqueur. The bottle is orange with a black cap and a label that reads 'AMARETTO DI SARONNO' and 'DA FIRENZE'. The background shows a blurred city skyline at sunset.

Amaretto di Jackson

56 proof • 1987 Imported by The Paddington Corporation, Fort Lee, NJ. Photo: Ken Nahoum.

Kinko's Annual 2½¢ Copy Sale

2½¢ COPIES

July 20 - July 31

(8½x11 white 20# auto-fed)

kinko's®

Over 350 locations nationwide. For the Kinko's nearest you, check your local white pages or call—

1-800-235-6919
(in CA 800-292-6640)

At participating Kinko's only.

American Scene

In the Zone: The End of an American Enclave

The reflected lights of Panama City dance impishly on the waters of the bay as Lucho Azcarraga and his band play *Auld Lang Syne* at Fred Cotton's farewell party on the grounds of the Amador Officer's Club. There are more than 250 guests, nearly all of them middle-aged and conspicuously American, wearing colorful shirts and dresses, Hawaiian leis draped around their necks. Azcarraga's pudgy fingers are surprisingly agile on the organ keyboard as he pumps out the Scottish farewell. But then they should be. Although he is over 70, he plays this tune quite often. Most of the guests get to hear it pretty frequently too. "You say goodbye a lot around here these days," says Dick Morgan, who is being promoted to take over Cotton's job as the director of one of the Panama Canal Commission's three divisions. "Sometimes I worry about who is going to be left to come to my retirement."

Since former President Jimmy Carter signed treaties with Panama in 1977 that provide for the canal to be handed over in 1999, Americans have been leaving at a steady clip. In 1979, when the treaties went into effect, there were 2,455 Americans on a payroll that had already been cut sharply by the transfer of schools and other responsibilities to the U.S. Army. Now there are fewer than 1,200 U.S. citizens employed by the commission. This year, and every year until the handover, about 100 more will pack their bags. By the year 2000 only a tiny handful will remain. Most departing Americans will have to clear lumps from their throats at farewell parties. "Hell, you are working for the world on this job, not just the U.S. Government," says Commission Hydrologist Frank Robinson, 59, who will soon retire to Florida after 38 years on the canal. "The canal has been a mission, avocation. Lots of people feel bad about leaving."

Farewells are perhaps hardest of all for people like Cotton, whose ties go back to the beginning, when the canal was still an American dream. His great-grandparents were railroad folks from New Jersey who came to Panama in 1905, the year after the U.S. under President Theodore Roosevelt began digging. Cotton's grandparents married in Panama, and his mother was born in a construction town.

Cotton himself was born 51 years ago



Fred Cotton holds aloft a farewell gift after a career on the canal

in Colón, at the northern end of the 51-mile-long canal. "Born and raised here, right alongside the canal, and so were my kids," he says. "It is tough to say goodbye when you are fourth generation."

He joined the original Panama Canal Company in 1962 and later served as civil affairs director, a kind of mayor for the whole zone. Anti-Americanism occasionally turned ugly in the years leading up to the signing of the historic agreement. Cotton

ton was a leading opponent of the treaties, earning him the enmity of many Panamanians and the respect of large numbers of his fellow Americans. "It was a period of great trauma," he now says simply. "When people lost their jobs, they lost their way of life. Emotions ran pretty high."

That collegial respect is evident as the breeze runs its fingers through the branches of the pair of giant fig trees that dominate the club's patio. "Fred will be leaving a very big pair of shoes to be filled. They may never be filled," offers Deputy Administrator Fernando Manfredo Jr., as to loud

applause, he hands Cotton a symbolic set of keys to the canal locks. "Your contribution to this engineering wonder of the world is something you can look back on with pride."

Nearly all the Americans who have ever been connected with the Panama Canal have felt a deep sense of identification with what some, unconsciously, still refer to as "our canal." "There has always been great pride involved in operating this canal," says Ronald Seeley, the commission's personnel director. "Americans came out to Panama for life, not just a few years."

Until 1979 employees were offered cradle-to-grave security. "The company was the government," explains George Mercier, the deputy director of personnel. "We run the hospitals in which people were born and the mortuaries to which they were taken when they died." Employees lived in company housing and bought their groceries from commissaries. The canal operation even had its own ice-cream plant. "It was the biggest company town in the world," recalls Cotton. "Like a separate country within a country," says Robert Emerick, who started work for the company in 1962. "I knew one fellow who only left the zone on his way to the airport. And he was here for 30 years."

All that is changing rapidly as the Americans thin out. The commissaries have gone, and the post office has long since been turned over to Panama. Lest there be any doubt about sovereignty, a red, white and blue Panamanian flag the size of a basketball court flies from the top of Ancon Hill.

"Anyone who hasn't filled in a retirement form please do so immediately." The emcee is joking while Cotton fumbles with the wrapping of another farewell present.



Teddy Roosevelt Inspected the digging

**She was raised in a Beverly Hills mansion.
Now, she's got to clean one.
Ally Sheedy is Jessie Montgomery
... worse help is hard to find.**



ALLY SHEEDY
MAID to ORDER

THE VISTA ORGANIZATION AMY JONES ALLY SHEEDY. MAID TO ORDER
• BEVERLY D'ANGELO • MICHAEL ONTKEAN • VALERIE PERRINE • DICK SHAWN • TOM SKERRITT
• GEORGES DELERUE • CHARLES SKOURAS III • AMY JONES • PERRY HOWZE
• RANDY HOWZE • HERB JAFFE • MORT ENGELBERG • AMY JONES



REFINED BY NEW CENTURY VISTA PICTURES

©1977 THE VISTA ORGANIZATION PARTNERSHIP. ALL RIGHTS RESERVED. VISA

COMING THIS SUMMER TO A THEATRE NEAR YOU

Life insurance you can change with the economic climate.

Variable APPRECIABLE LIFE[®] from The Prudential gives you the features you need to help you adjust your life insurance to changing economic conditions.

You can move some or all of your cash value in and out of six portfolios. There's a new real estate account, in addition to a common stock account, a bond account, a money market account, an aggressively managed account and a conservatively managed account. Or choose a fixed interest rate option if you prefer.

Also Variable APPRECIABLE LIFE lets you decide how much and when you want to make your premium payments (monthly,



quarterly, yearly). You can even speed up your policy's growth by making additional payments.

And whatever the economic weather, you'll always be fully protected. The Prudential's Variable APPRECIABLE LIFE guarantees the amount of the death benefit, no matter what the investment performance.

For more complete information, including fees and expenses, ask your Prudential/Pruco Securities representative for a prospectus. Read it carefully before you invest or send your money.

Variable APPRECIABLE LIFE. Think of it as life insurance for the investor in you.

Variable APPRECIABLE LIFE is not available in Washington, D.C. The real estate subaccount is not available in New York or New Jersey. Issued by subsidiaries of The Prudential: Pruco Life Insurance Company and Pruco Life Insurance Company of New Jersey. Sold through Pruco Securities Corporation, Newark, New Jersey.

The Prudential 
Insurance & Other
Financial Services

"Those that have, please leave now." There seems to be a bit of an edge to the laughter, and at one of the tables someone half whispers to his companions, "Give me my pension, and I'll go tomorrow."

For some, staying on is counting off the days until the pension is due or the moment is otherwise right. "It is not like it used to be," complains Captain Richard Cathaway, a canal pilot a few years short of the retirement age of 62. He recalls with affection the old Tivoli Guest House, with its wide timber verandas, wicker chairs and a bar where heads might turn at the sound of a conversation in Spanish. The Tivoli, owned by the canal company since construction days and run largely for the benefit of American employees and visitors, was pulled down in 1971. Frank Robinson remembers the monthly dances at a hotel in Colón in his youth. "They were formal affairs. You dressed properly. I went every month," he says. These days many people socialize at home.

The nostalgia runs so deep that complaints are sometimes over mundane matters. "The grass isn't kept cut like it used to be," says the captain. "There's a pile of garden rubbish in the front of my house that hasn't been collected for nearly two weeks. Before, it would have been taken away in a couple of days."

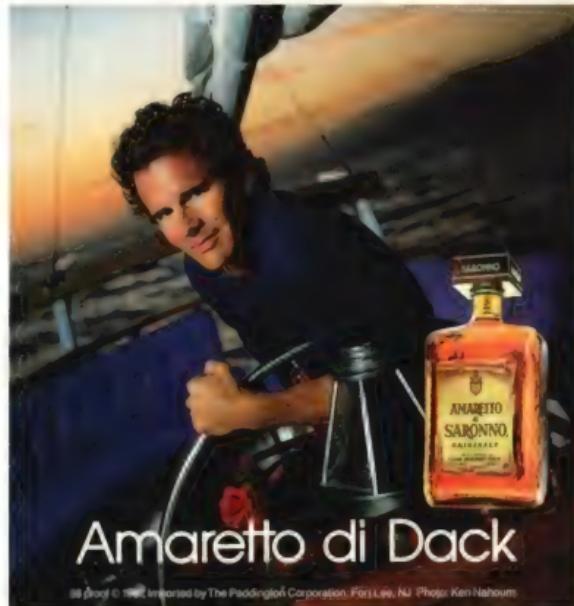
Yet for all the grumbling, those who have stayed on acknowledge that none of the big fears of a decade ago, including the possibility that the canal might have to be closed because of a mass exodus of Americans, have been realized. "Looking back, it has all worked better than any of us thought at the time," says Cotton.

Most Americans wonder about the future of the thin link between oceans that consumed so much of their lives. "They can't even maintain the road to my farm," says Dave Feller, a retiree who has remained in Panama, "so what do you think is going to happen to the canal in 20 years?" Says Cotton, a little more diplomatically: "We'll eventually turn it over to a totally Panamanian work force capable of running the canal. Whether they make a go of it will depend on whether the politicians and the military let them." After serious antigovernment riots in June, those still in Panama worry increasingly about the country's political stability and its effect on the smooth operation of the canal.

The breeze from the north is beginning to play mischievously with the oil lanterns as Cotton at last takes the microphone for his farewell speech. "This is it. What d'ya say?" he asks, uncharacteristically at a loss for words. But then he remembers them: "Don't any of you Americans leave here in any doubt about what you did. We are all going to walk out of here with our heads held high."

The applause suggests that the spirit of Roosevelt lives on here, even as time ticks away on one of the U.S.'s most ambitious and successful overseas ventures.

—By John Borrell



Amaretto di Dack

© 1988 Amaretto di Dack. Imported by The Paddington Corporation, Fort Lee, NJ. Photo: Ken Nahoum

TIME Customer Service

OUR COMMITMENT TO EXCELLENCE

TIME's commitment to excellence doesn't stop with award-winning coverage and photography...

...we're just as dedicated to outstanding service for our valued subscription customers.

CALL TOLL-FREE: 1-800-541-1000

1. Change of Address.
 - Please notify us 4 weeks in advance.
2. Any questions about your subscription.
 - Your subscription expiration date.
 - Delivery difficulties.
 - Missing issue.
3. Renew your Subscription Early.
 - Guarantee uninterrupted delivery of TIME.

OR
WRITE
US:

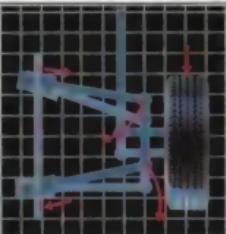
TIME Subscription Service Department
541 N. Fairbanks Court
Chicago, Illinois 60611
(Please include your label with all correspondence.)



TIME —the World's #1 News magazine
Over 60 years of Excellence.



Fuel Injection. One key to the outstanding performance of the front-wheel-drive 626 is its 2.0-litre OHC engine with electronic fuel injection.



Independent Rear Suspension. The 626's rear suspension uses Mazda's patented Twin Trapezoidal Linkage for directional stability and flat tracking through turns.



Halogen Headlamps. In keeping with its world-class road car heritage, the 626 comes equipped with Euro-style, flush-lens halogen headlamps.



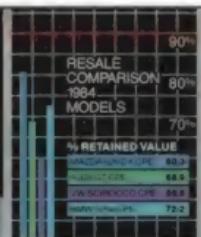
6-Way Driver's Seat. This 626 features a 6-way adjustable driver's seat with controls for lumbar support and seat angle.

THE MAZDA 626 SPORT COUPE. WORLD-CLASS ROAD CAR PERFORMANCE WITHOUT THE WORLD-CLASS PRICE.

\$10,199



THE MAZDA 626 DELUXE SPORT COUPE.



Please send me a free, full-color Mazda 626 catalog.

2023 RELEASE UNDER E.O. 14176

ADDRESS ACT NO.

Return this coupon to: Mazda 626 Catalog
Offer Box 5960, T. Orange, CA 92668

For a free, 24-page Mazda 626 catalog, complete the coupon or call this toll-free number:
800-424-0202 ext. 702.

5-Speed Overdrive. A 5-speed overdrive transmission is standard. Its direct linkage and parallel support rod ensure smooth, precise shifting.

High Resale Value. 626 also performs well at trade-in time, retaining an impressive amount of its original suggested retail price.**

Serious Instrumentation. Easy-to-read instrumentation includes tachometer, speedometer, temperature gauge, and trip odometer. There's also a tilt steering wheel. Clustered controls for easy access. Even intermittent-action windshield wipers. All standard.



MEADS



Advertisement



Keith Hernandez was pleased but were the sunglasses that special? Then came the miracle.

Miracle Glasses

I knew the glasses worked but I didn't realize its new power.



Julie draws lots of attention where ever she appears and has nothing to do with Keith Hernandez.

By Joseph Sugarman

You may not believe this. I can understand. But as incredible as it may seem, the facts I present here are the absolute truth—just ask Keith Hernandez.

Keith Hernandez is the star first baseman of the New York Mets. About two months ago I published an open letter to Keith telling the sports press that Keith should wear our revolutionary new BluBlocker sunglasses. My reasoning was simple.

If Keith would accept my offer and wear them, it would draw attention to BluBlockers and we would sell a ton of them. We had to sell ton of them. The BluBlocker sunglasses were costing us a fortune. By selling a large quantity, we could keep our prices low and still make a profit.

SPECIAL MEETING

Instead of sending Keith a pair, I arranged to meet him at Shea Stadium in New York on May 6, 1987 to have him try one on. He did. But what followed I never expected.

When he put them on and looked around Shea Stadium, he seemed impressed. I expected that. Most people, when they first put on a pair, can't believe their eyes.

BluBlockers filter out blue light which makes everything appear sharper, clearer and with a greater 3-dimensional look to it. Blue is the shortest light wave in the visible spectrum and focuses slightly in front of our retina which is the focussing screen in our eyes. By filtering out the blue in the BluBlocker lenses, our vision is enhanced and everything appears to have a 3-dimensional look to it. But there's more.

BluBlockers also filter out ultra violet or UV light from your eyes. Pollution is causing the atmosphere to lose its protective ozone layer letting more harmful UV light through and causing a dramatic increase in skin cancer and eye disease.

COULDN'T BELIEVE SHARPNESS

Regular sunglasses, without UV protection may be dangerous by causing our pupils to open wider thereby letting more of the dangerous UV light into our eyes.

Keith loved the BluBlockers. "I saw

everything so clearly that I couldn't believe how sharp they made things appear. They felt good and I really liked them."

As Keith was wearing them, I took the picture shown above. I finished and as Keith and I walked off the field, I turned to him and said, "Keith, those glasses will bring you and your team good luck. You watch. You'll win tonight...and you'll have an evening you'll never forget."

SWORN STATEMENT

I have read the facts regarding my experience on May 6, 1987 with Mr. Sugarman at Shea Stadium and the statements made herein are the truth and happened exactly as stated.

Keith Hernandez

I don't know why I was compelled to say that. But that evening, the Mets broke a losing streak and won a big game and Keith was named team captain—the first team captain in Met's history.

Keith now wears BluBlockers before every Mets game. "I'm not superstitious," says Keith, "but after one of the most incredible evenings of my career I can't think of a better pair to wear."

The rest is history. Keith wears BluBlockers all the time. He loves them. "I see clearer, sharper and I look great in them. The girls love them too."

BIG GUARANTEE

Obviously, I can't guarantee that BluBlockers will bring you the kind of good luck they brought Keith. But I can guarantee one thing. If you order a pair, you will see clearer, better and sharper than with any other pair of sunglasses you'll ever wear and you'll be protecting your eyes by blocking out the harmful UV light. BluBlockers will become the best pair of sunglasses you'll ever own.

BluBlockers come in two versions. One is an anodized high-tech aluminum pair with a flexible spring hinge that compares with many \$200 imported frames and the second is our precision plastic pair. Both look

identical to the pair Keith wears. There is also a high quality clip-on model that fits over prescription lenses. Each pair has high quality Mafenium-99m lenses which add to their clarity and sharpness. The lenses also have a hard, anti-scratch coating.

Each pair comes complete with a padded carrying case, instructions and a one-year limited warranty. If anything ever happens to your BluBlockers during that first year, just return them for a prompt replacement. Return instructions come with each pair.

I urge you to order a pair during our one-month trial period. When you receive your BluBlockers, put them on and notice immediately how everything takes on a 3-dimensional look. See how much clearer and sharper objects appear. Notice how comfortable the glasses feel and easily conform to your face and examine the quality of the frame.

DRAMATICALLY DIFFERENT

Then compare BluBlockers with any other pair you own. BluBlockers must be dramatically different and better than any pair you own regardless of price, or return them anytime within 30 days for a prompt and courteous refund including the \$3 postage and handling charge.

Keith has his good luck charm and I have mine. It seems that every time Julie appears in one of my ads, it does well. Order a pair of BluBlockers at no obligation, today.

To order, credit card holders call toll free and ask for product by number shown below or send a check plus \$3.00 for delivery.

Aluminum Deluxe (0029BB2)	\$69.95
Clip-On Model (0028BB2)	29.95
Precision Plastic (0031BB2)	39.95

BluBlocker

JS&A

One JS&A Plaza, Northbrook, Illinois 60062
CALL TOLL FREE 800 323-6400

IL residents add 7% sales tax. ©JS&A Group, Inc. 1987

GOOD NEWS for VACATION TIME



Look for TIME on the newsstand—wherever you travel this season—and keep on top of your world.

TIME has four international editions in 190 countries. So you won't have

to worry about missing a single exciting issue. And you'll be guaranteed to get the same weekly coverage of world events you've come to rely on week after week.

TIME
The Worldwide Connection

"At International Tours, we know our National Yellow Pages advertising is working when the phone starts ringing off the hook."



Ron Blaylock
President
International Tours, Inc.

"We open a franchised travel agency about every 10 days, so our Yellow Pages advertising can't always mesh with our openings. But when those directories come on stream, the phones go crazy."

International Tours, the giant Tulsa-based travel organization with almost 300 member agencies coast to coast, enjoyed combined 1985 revenues of \$350,000,000.

To assist in keeping their agency

members' telephones ringing, International Tours utilizes a multimedia advertising program in weekly cable television, print, direct mail, premium and incentive programs with major corporations and National Yellow Pages advertising.

Blaylock and his National Yellow Pages advertising agency and Authorized Sales Representative, Mast Advertising and Publishing, Inc., Overland Park, Kansas, suggest an initial Yellow Pages advertising budget of 15 percent of projected sales for the travel agency's first year, 10 percent for the second year and five to seven percent from the third year on.

Utilizing a wide variety of Yellow Pages space modules, from trademark headings up to half and full pages, International Tours' total budget in 1985 amounted to \$350,000 in some 300 directories with a 15 percent

increase projected for 1986-1987.

"We recommend the franchisee spend the money to get the job done," Blaylock says, "because it works well for us."

International Tours, Inc., is another example of the power of National Yellow Pages advertising. To find out how you can build an effective, cost-efficient National Yellow Pages program, call or write National Yellow Pages Service Association, or ask your advertising agency to contact us.



National Yellow Pages
Service Association

mypsa®

886 W. Big Beaver Road
Troy, Michigan 48064
Telephone: (313) 362-3300

The medium that puts the "closing touch" on your marketing/media plan.

Nation



TIME/JULY 20, 1987

COVER STORIES

Charging Up Capitol Hill

How Oliver North captured the imagination of America



The screen split. On one side of it, Ronald Reagan was seen ambling sidelong and smiling across the South Lawn of the White House. He waved to an off-camera crowd, deflected shouted questions with a shrug, and at the steps to his helicopter, smartly saluted the Marine guard standing at attention.

At that moment, on the left side of the television screen, another Marine, Oliver North, leaned forward in the witness chair in the Senate Caucus Room, listening, his eyes gone now from disingenuous to wounded, then brightening to a righteous glint.

Bip. The Reagan side of the picture disappeared. The President's helicopter, Americans were told, would lift off the White House lawn and bear him away, toward a speech in Connecticut that had nothing to do with the Iran-contra hearings. It was a strange effect, a kind of moral vanishing. Reagan at that moment became an absence.

What remained on the screen was the astonishing drama of Oliver North. For four days last week a remarkable American pageant—presented on television, Reagan's natural medium—was dominated by a 43-year-old Marine lieutenant colonel, the man whom Reagan had fired from the National Security Council staff last November.

Oliver North achieved a kind of evanescent coup d'état in the American imagination. It was a fascinating and impressive transaction. And slightly spooky.

North charged up Capitol Hill and took the forum away from the politicians. He played over the heads of the joint congressional committee, aiming his passionate rhetoric and complex charm at the 50 million people watching on television, the real audience and jury at the proceedings. The obscure, middle-level NSC staff member—said to be a "loose cannon," an aberrant zealot from the White House basement—did not behave like a guilty character caught at misdeeds, like a raccoon startled by a flashlight in the middle of the night.

Instead, he arrived surrounded by an aura of honor and in-



jured virtue. The force was with him. He played brilliantly upon the collective values of America, upon its nostalgias, its memories of a thousand movies (James Stewart in *Mr. Smith Goes to Washington*, John Wayne in *They Were Expendable*) and Norman Rockwell Boy Scout icons. Ironically, he played precisely those American chords of myth and dreaming with which Ronald Reagan orchestrated his triumphal campaigns of 1980 and 1984. In the fading seasons of Reagan's presidency, young Ollie North was splendid at the Old Man's game.

By the end of four days of testimony, North had accumulated a foot-high pile of telegrams of support (GOD BLESS YOU, GOOD LUCK AGAINST THOSE H-1-BRED HYENAS). Dozens of floral bouquets were delivered to the Norths on Capitol Hill.

A TIME poll taken Thursday night showed that 84% felt that he was telling the truth when he said his actions were approved by higher-ups, and more people tended to believe him than to believe the President. North had won a certain amount of raw popular support—an evident success with Americans that at least for the moment bemused and intimidated the congressional committee that had come to grill him. That popularity, however, might not help him later in courts of law.

North's performance was a complicated masterpiece of rhetoric and evasion, of passion and manipulation. He constantly turned the question of what he did into a discourse on why he did it. One does not expect Marine lieutenant colonels to be mysterious. North displayed last week a personality capable of contradictions, which he somehow arranged to achieve a weird harmonic. When the dramatics and tonal effects were stripped away, North's defense was simple. It was based on two main themes, each impenetrable, together impregnable. The themes were 1) "I assumed I had the authority," and 2) "I don't recall."

But it was the dramatics that captured Americans. North begins with luminous self-possession and a chestful of medals. The war in Viet Nam was an interesting half-buried theme of North's witness before the committee. He came home from the war a

hero: Silver Star, Bronze Star, two Purple Hearts. The residue of the war (martyrdom, loss, pride of service, loyalty to comrades) played against North's current situation as scapegoat, martyr and lone champion of the all-but-lost cause of the *contras*.

Some Marines did not think that North, who served in the White House as a civilian, should have worn his uniform to the hearings. But North, gifted with impeccable theatrical instincts, knew that the costume would be necessary. It fit well with the resplendent armor of his belief in what he was doing and therefore in his explanations of it.

North is an interestingly modulated man. Sometimes one saw in him a haunting and lovable pleading—dignified, controlled—that would ignite into eloquence or jolts of fury. He was impressively self-contained, yet gentle and easy as well. He was a boyish All-American engaged in dark, Machiavellian games. Beaver Cleaver playing Dungeons and Dragons for keeps. He was adorable and dangerous. The vocabulary was often breezy, almost childish: the diversion of funds to the *contras*, he said, was a "neat idea." He impersonated a sort of G.I. Joe action figure who might have belonged on Saturday morning kids' television. And yet when the members of the committee, a little dazed, ended their session at week's end, they realized that they had been in the presence of a highly intelligent and articulate man. A few people even thought that the work North did for the National Security Council, sneaking around in the back alleys of diplomacy, might have been beneath him.

North is a natural actor and a conjurer of illusion. His face is an instrument that he plays with an almost unconscious genius. His countenance is dominated by his eyes. Now they are the eyes of a vulnerable child: innocence at risk in a dark forest. Now an indignation rises in them, dark weathers of injured virtue. And an instant later, there comes across the landscape of North's face something chilling, a glimpse perhaps of the capacity to kill, and the eyes constrict their apertures a little, taking aim. The altar boy who might charm the nuns could take on ferocities. His

Nation

voice was low and passionate. It cracked in the affecting way that Jimmy Stewart's does, although sometimes, with a force of anger behind it, the voice sounded like Kirk Douglas' in a manic moment.

The Boy Scout and patriot had the nation rooting for him. Charismatic politicians, and demagogues, have always known how to dramatize life as a struggle between black and white, between good and evil. A committee counsel came to ask North about the nearly \$14,000 security system he had installed at his suburban Virginia house, a setup that was paid for by Major General Richard Secord. North delivered a magnificent aria in which he described how the Palestinian terrorist Abu Nidal had targeted him for assassination. He told how Nidal's group had brutally murdered Natasha Simpson, 11, daughter of an American journalist, in the Christmas 1985 massacre at the Rome airport. "I have an eleven-year-old daughter," said North, melodramatically. He offered a challenge. "I'll be glad to meet Abu Nidal on equal terms anywhere in the world. O.K.? But I am not willing to have my wife and my four children meet Abu Nidal or his organization on his terms."

After that performance, the committee for the moment dared not ask about the snow tires that North was said to have purchased using some of the money from the Iranian arms sales.

Eventually, North had so won over his audience that when Senate Counsel Arthur Liman came stalking after him, a curious effect set in, even among some who thought that North was lying. One wanted to shout at the screen, like kids at a Saturday matinee of long ago, "Watch out, Ollie! He's setting a trap!"

What happened in the Senate Caucus Room last week was a sort of drama of the moral settlement of America. First there was the frontier, the wild places where savages roamed and life was dangerous and action was survival. The pioneer, the early cowboy, the vigilante all kept guns loaded and shot fast. One did not survive by regulations and laws and merely mental, abstract things. Justice was a rougher business, and even at that ran a distant second to coming out of it alive. "The essential American soul," D.H. Lawrence once extravagantly wrote, "is hard, isolated, stoic, and a killer."

Ollie North's world is still a frontier (Latin America, the Middle East) where savages and terrorists wander. Something in Americans sympathizes with that view of the world, with a bit of Teddy Roosevelt roughriding and a distaste for legal punctilio. In Texas lone there is a defense for homicide that goes like this: "He needed killing." Case dismissed.

It is a mind-set out of the American West, the sort of ethic that says a horse thief needs to be hanged and hanged now, in the interests of efficiency and emphasis. What makes such an ethic palatable, and even attractive, is the underlying sense that the American, divinely sponsored, is inherently fair. If fairness is guaranteed, why get exercised about the fine print? Ollie North believes that the overarching justice of his projects, such as funding the Nicaraguan resistance, legitimized his efforts to skirt the Boland amendment.

But after the pioneers and the cattlemen, of course, came the

schoolmarms and the lawyers and the congressional committees. The untrammeled open plains need to be fenced and organized and submitted to the rule of law. After action governed by conscience comes behavior governed by regulation, the broader organization of a more complicated society.

The congressional committee represents that later stage of the nation's development. North appeals to Americans as a magnetic character in the older style. Americans have a visceral attraction to cowboy morality. It is part of their folklore. When they see that it succeeds—in the capture of the *Achille Lauro* hijackers, for example, or even in the invasion of Grenada—they cheer it on. However, they are intensely wary of that ethic when it is turned loose, unsupervised, in a world made dangerous not just by terrorists but by nuclear weapons.

Part of Americans' sympathy with North arises, again, from the principle of fairness. They see him as a man who was following orders, and who is unfairly being asked to take the rap for men higher up.

Foreigners are sometimes bemused—and appalled—by the American habit of putting on spectacular show trials of the Watergate kind. Is America a sort of regicide society, a nation with a compulsion periodically to tear out the wiring of its own Government? One had thought Reagan would be the first President since Eisenhower to retire happily after two terms.

Another question: If the Constitution's system of checks and balances demands this kind of congressional surveillance of the presidency, why do the hearings so often lose their way in labyrinthine detail? Why don't Congressmen examine larger social and moral and political issues? The dense tangle of the *Iran-contra* affair, with its elaborate deceptions and boxes within boxes, is, in the light of day, fairly simple. It involves two issues.

One is Iran, where an incapacity to face hard decisions about hostages led the Administration to contravene its own boycott and sell arms to a terrorist state, thereby subverting the moral and political authority of the President. It is curious that the Reagan Administration, with its weakness for the cowboy ethic, should be so unwilling to face necessary losses, so sentimental about getting hostages home when the price of the rescue might be the collapse of an immense structure of policy—and would inevitably mean the taking of far more hostages.

The second issue is Nicaragua. The Administration for years has failed to win popular or congressional approval for its policies in support of the *contras*. So the White House has done things of highly questionable legality in order to circumvent the Boland amendment.

The net result of the Administration's handling of the two issues is fiasco both ways.

Ironically, Oliver North won more support for the *contras* in four days of testimony than Ronald Reagan has been able to stir up in six years. While North was testifying last week, the disgraced *contra* lobby in Washington came alive and mobilized its mailing lists again.

The *Iran-contra* hearings last week may have had more to do with theater and symbolism than with great constitutional questions. Throughout American history, the President and Congress



The witness, in person and on a TV monitor in the hearing room

A sort of evanescent coup d'état in the American imagination.

have collided on the question of who runs the nation's foreign policy. The Iran-*contra* affair demonstrates the danger at either end of Pennsylvania Avenue: the problem of unexamined, undisciplined policy by the Executive, and the problem of a foreign policy excessively inhibited and micromanaged by the Congress. In either case, the American system of checks and balances sometimes makes it difficult for foreigners to deal with the U.S. with confidence. They may fear that private deals of the Ollie North kind will be exposed, by Congress, the press, or both. Or they may fear, as the *contras* did, that a President's policy of support may presently be rescinded on Capitol Hill.

The results of the hearings for Ronald Reagan are cross-grained. North's credibility does not rub off on the President. On the contrary, the Administration had been worried that North would be torn apart on Capitol Hill and taint Reagan in the process. Yet it was North's boffo performance that somehow diminished the President: North stood tall in defense of the covert crusade on behalf of the *contras*, in contrast to Reagan's feckless refrain about not being quite sure what was happening. North's loyalties were unwavering, even toward the President



The President was easily upstaged

who had summarily dismissed him. Having scrambled so hard to distance itself from North, the White House will find it hard to bask in his temporary aura.

At the same time, North's passionate defense does tend to validate the President's policies toward the *contras* and to draw some of the poison out of the public's attitudes toward the whole Iran-*contra* misadventure. North left an impression of projects that at least were passionately well meant.

The President may achieve an arms-control agreement in the fall. But his time left for achievement in the White House is short. Once the 1988 primaries begin, Reagan will have virtually departed into history.

It is difficult to predict where Oliver North's destiny will take him. Americans may decide that he won them a little too easily, and sobriety may set in. His moment may be fleeting. The special prosecutor lies in wait. It may be, *semper fi*, that he will grow old in the corps. Perhaps he will reverse Ronald Reagan's trajectory and find a home in Hollywood. Politics? North has already proved that he is almost dangerously gifted at the persuasive arts.

—By Lance Morrow



Assessing the Performance

Although the capital was awash with expressions of support for Oliver North, reaction to the Marine lieutenant colonel among the public at large was more qualified. In a poll taken for TIME last Thursday evening by Yankelovich Clancy Shulman,* 60% of those surveyed call themselves "sympathetic" to North, but no more than 51% of the respondents judge North to be totally truthful.

Which of these descriptions do you feel describe Lieutenant Colonel North?

	Describes	Does not describe	Not sure
A reckless adventurer	15%	72%	13%
A national hero	29%	61%	10%
A true patriot	67%	24%	9%
Someone we need in Government	37%	49%	14%
A scapegoat for higher-ups	77%	15%	8%
Someone I would want to marry my daughter	26%	57%	17%

Only 22% think North's actions in diverting Iran arms profits to the *contras* were legal; 58% say he acted illegally. Nevertheless, 69% answered no when asked whether North "should be sent to jail for his role in the Iran-*contra* matter."

Did the President Know?

An overwhelming 84% of those polled believe North's testimony that all his actions were approved by higher-ups in Government. Even more damaging to Ronald Reagan, 58%

agree that the "President knew money was being diverted from the Iranian arms sales to fund the *contras*," and only 23% disagree.

But Reagan's credibility increased slightly following North's appearance.

Do you think President Reagan has told the American people everything he knows about the Iran-*contra* issue?

	Last Week	May 1987	January 1987
Told everything	21%	14%	16%
Holding back information	71%	75%	77%

Was the Policy Wrong?

By better than 2 to 1 (64% to 28%), those surveyed disapprove of selling arms to Iran in exchange for hostages and also object (by 63% to 23%) to diverting funds to the *contras*. Moreover, 62% think it was wrong "for the Reagan Administration to conceal its secret operations in Iran and Nicaragua from the Congress." But most respondents are also cynical about the congressional hearings: 57% say the proceedings are motivated more by politics than by the evidence.

The poll also reveals a gain in public support for the *contra* cause, perhaps owing in part to North's testimony.

Do you approve of U.S. support for the *contras* fighting against government troops in Nicaragua?

	Last Week	January 1987
Approve	38%	26%
Disapprove	43%	50%

*Conducted by telephone on July 9 among 612 adult Americans by Yankelovich Clancy Shulman. The sampling error is plus or minus 4%.

The "Fall Guy" Fights Back

North fingers his superiors—but not the President



As Lieut. Colonel Oliver North spun out his story with a dazzling display of charm, guile and unbridled self-righteousness during his long-awaited appearance in the Iran-*contra* hearings, he portrayed himself as a dutiful junior officer, ever willing to "salute smartly and charge up the hill" at any order from his superiors. Yet the bemused Marine refused to fall on his sword and take full blame for the scandal that has wounded his Commander in Chief. Although he confessed candidly—and defiantly—to blatant lies and deceptions, North also threw what even he called "Ollie North's dragnet" over high officials of the Administration he had served. North's net fell only a carefully calculated distance short of the Oval Office.

Alternately subdued, passionate, angry and sarcastic, the onetime National Security Council aide testified that he had expected to be "dropped like a hot rock when it all came down." He had, indeed, been fired by President Reagan last Nov. 25, after Attorney General Edwin Meese revealed that the profits from U.S. weapons sold secretly to Iran had been used to send military supplies to the *contras* fighting the Sandinista government of Nicaragua. But North declared, "I never in my wildest dreams or nightmares envisioned that we would end up with criminal charges." Now faced with that dire possibility through the investigation of Independent Counsel Lawrence Walsh, North made it clear that he had rebelled against his self-described role as the Administration's appointed "fall guy." He would go all right, but not alone.

Knocking down his previous story that he had been on such chummy terms with the President as to joke with him about the delicious irony of sending the Ayatollah's money to the *contras*, the Marine placed a proper bureaucratic distance between himself and the top boss. (This wisecrack, North conceded, had been uttered out of the President's hearing as he and his superior, National Security Adviser John Poindexter, left a White House meeting.) North said he had never even discussed his far-flung secret operations one-on-one with the President. But, he insisted, "I assumed that the President was aware of what I was doing and had, through my superiors, approved."

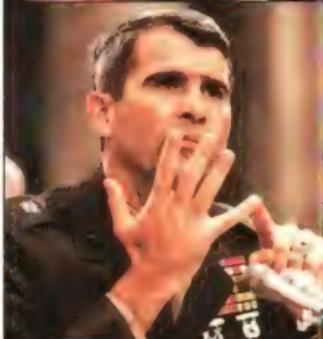
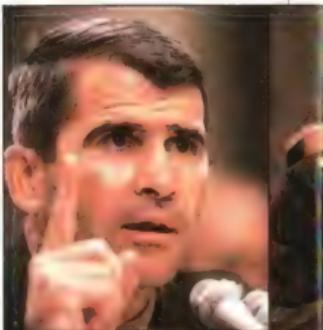
North had some basis for his assumption. He claimed he had sent not one but five memos "up the line" to Poindexter seeking presidential approval to divert the

Iran arms proceeds to the *contras*. North went ahead and directed the diversion after each of three U.S. sales to the Iranians because Poindexter never told him that his proposals had been disapproved. He said he had "no recollection" of ever seeing Reagan's initials or check of approval on any returned document. He had shredded all but one of his copies and, incredibly, could not remember even looking to see if they bore approvals. It was the discovery on Nov. 22 of the one copy North had missed that hastened Meese's bombshell disclosure of the diversion three days later.

From the start, Reagan has insisted he did not know of any diversion plans, making it the litmus test of his credibility in separating himself from the scandal. The White House was unmoved by North's claim that he wrote five diversion memos, only the one found on Nov. 22 has turned up among the 250,000 documents the White House released to the congressional committees. Even if other versions exist, says one aide, so what? "There's nothing that says the President saw them."

North supported that position, testifying that on the day he was fired, the President called to console him and said, "I just didn't know." North denied having told an aide shortly after the call that the President had said, "It's important that I not know." If accurate, that subtle remark could suggest a cover-up by Reagan. But North insisted, "I don't recall the conversation that way."

North's persistence in declaring that "I was authorized to do everything that I did" creates obvious questions for Poindexter, who will follow him to the witness



“

Lying does not come easy to me. But we all had to weigh in the balance the difference between lives and lies.

”

table. Did Poindexter just spike all diversion memos and let North proceed on his own? Poindexter's public testimony, predicts a congressional source who has heard his private interviews, will be "explosive."

Whatever the President's role in the diversion, North's sweeping testimony left the firm impression that the late CIA director William Casey had masterminded the covert operations that were designed to achieve two of Reagan's most cherished policy goals: to win the release

of U.S. hostages in Lebanon, and to keep the *contras* fighting in Nicaragua, even if Congress would not provide U.S. funds for that purpose. When Congress passed the Boland amendment in 1984, specifically banning all agencies "involved in intelligence activities" from providing military support to the Nicaraguan rebels, Casey simply shifted his previous *contra* support operation to the NSC staff on the dubious grounds that the council was not covered by the proscription.

contras. It was Casey who encouraged using Secord to handle accounts into which the millions of dollars in profits from the Iran arms sales were deposited. It was also Casey who enthusiastically embraced the idea of using those "residuals" to help the *contras*. "He referred to it as the ultimate irony," said North. "The ultimate covert operation."

North testified that Casey had given him a ledger in which to record the flow of money to the *contras* and other secret operations. At times this account contained as much as \$175,000 in cash and traveler's checks, kept in North's office.

In a startling revelation, North said Casey had intended to expand this fund with the arms sales profits and use it as an "off-the-shelf, self-sustaining, stand-alone" fund for operations that the director felt the CIA could not or should not carry out. This would get around two bothersome legal requirements: having to seek presidential approval and then reporting the supersecret presidential "finding" to Congress. Democratic Senator Daniel Inouye, who presided over the hearings, called this an attempt to create a "secret government within our Government."

According to North, Casey also thought up the "fall guy plan," in which the ever loyal Marine would take the

I assumed that the President was aware of what I was doing and had, through my superiors, approved it.

Using the Ayatollah's money to support the Nicaraguan resistance... I think it was a neat idea.

North described Casey, who died May 6, as his "personal friend and adviser" who "never once disagreed with any of the things that I was doing." Instead, Casey told him "how they might be done better." The two "commanded" regularly, North explained, in a relationship that he understood was not to be "something that was publicly bandied about." North did not, it was apparent, even tell his chain-of-command bosses, Poindexter and former National Security Adviser Robert McFarlane, how much influence Casey had over the activities they ostensibly supervised.

It was Casey, North said, who had suggested as early as 1984 that retired Air Force Major General Richard Secord be enlisted as a commercial "cutout" to direct the airlift of military supplies to the

"hit" if any of the many secret operations were exposed, thus protecting higher officials—especially the President. When the Iran-*contra* scam did unravel, the trail led quickly to North. A private U.S. aircraft carrying supplies to the *contras* was shot down over Nicaragua last Oct. 5, and the downed airmen were carrying telephone numbers that linked them with Robert Owen, North's personal courier to the *contras*. Two days later, Casey learned that angry middlemen in the Iran arms sales were claiming they had lost millions and were threatening to expose the diversion. Thus in early October, North testified, Casey told him to "clean up the files." North went on a shredding binge that included the account ledger and had him turning documents into confetti on the day he was fired.

Nation

Virtually all the activities attributed to Casey by North sharply contradicted Casey's repeated declarations of not knowing what North was doing at the NSC. In his last interview before he died, the director in December told TIME that "I knew nothing of any diversions" until the investors threatened to reveal them. The CIA, Casey said, "didn't have any information" on where the *contras* were getting financial help.

In his bursts of candor, North pulled other officials more deeply into the scandal. "I'm not trying to pass the buck here, O.K.?" North declared angrily. "I did a lot of things and I want to stand up and say that I'm proud of them." But he denied acting alone as a "loose cannon... People used to walk up to me and tell me what a great job I was doing." Among them, he declared, was Secretary of State George Shultz, who opposed the Iran deals but, claimed North, "knew in sufficiently eloquent terms what I had done" for the *contras*. Shortly before he was fired, North said, Shultz took him aside at a party, "put his arm around my shoulder and told me what a remarkable job I had done keeping the Nicaraguan resistance alive." (A spokesman for Shultz said the Secretary had intended only to compliment North for boosting *contra* morale.)

North's unwelcome embrace also took in Meese, who had sat silent at a White House meeting on Nov. 20 while



The "old buffoon" and his "best friend" Betsy triumphantly greet fans from a balcony

Casey, Poindexter and North proposed a false story that no U.S. Government officials had been aware the previous year that Israel had shipped Hawk missiles to Iran with the help of the CIA and the NSC staff. Meese claims that he did not learn of the Hawk sale until last November, but North asserted that the Attorney General knew of it the year before. In November 1985, North testified, he saw a signed copy of a now missing presidential finding that retroactively authorized U.S. participation in the sale. The Attorney General usually reviews such findings. A Justice Department spokesman denied again last

week that Meese had ever been involved in the Hawk sale.

Deflecting the tough questions of the committee lawyers with lengthy answers and some deft jabs ("Don't get angry, counsel. I'm going to answer your question"), the combative North brazenly defended many of his actions. He even assailed members of Congress for putting him through what he called "this ordeal." Said North: "I don't mind telling you that I'm angry at what you have attempted to do to me and my family."

Rather than apologize for lying to congressional committees about his role in the *contra* military effort, North boasted. "I didn't want to show Congress a single word on this whole thing." Said he: "Lying does not come easy to me. But we all had to weigh in the balance the difference between lives and lies." Yet North seemed caught in a contradiction between this assertion and his insistence that his support for the Nicaraguan rebels was always in full compliance with the law.

North's shredding of documents was so brazen that one new revelation of this activity prompted even the committee's toughest interrogator, Senate Chief Counsel Arthur Liman, to sit back amid laughter and say, "I want to hear more about it. Go ahead." North claimed that even as three aides from the Attorney General's office pored over his Iran files on the day they found the lone diversion memo, he had walked right past them with other papers and fed them into his office shredder, which they could hear grinding away. Didn't anyone, asked Liman, say, "Stop... What are you doing?" Replied North with a grin: "They were working on their projects. I was working on mine." (The Justice Department later denied North's account.)

Some of North's deceptions were neither humorous nor motivated by lofty concerns about saving anything but his own skin. He admitted taking "hundreds of pages" of papers and many of his spiral-bound notebooks out of secure NSC offices to his home in suburban Great Falls, Va. Noting that North had complained

WHAT THOSE RIBBONS SIGNIFY

Nothing at the hearings was more eye-catching than the acre of decorations on Oliver North's uniform. They even popped into an unfinished question by Senate Chief Counsel Arthur Liman: "...I think you would [agree], because I think those medals represent..." Herein a guide to Ollie's awards:





**"I'M AN EASY GUY TO SATISFY.
I ONLY WANT THE BEST."**

INTRODUCING SIERRA: THE ULTIMATE PICKUP FROM GMC TRUCK.

You demand a lot of your possessions.

To fit your life, a vehicle must do more than simply fit in your driveway. Now there's a new truck to meet your highest expectations — and exceed them: Sierra, the all-new full-size pickup from GMC Truck.

Full-size outside.

Sierra is clearly a new concept in pickup design. But it's still a full-size pickup designed to do a full-size job. There's a choice of 6 1/2' short-bed or 8' long-bed models. And the long-bed can still accommodate a 4' x 8' sheet of plywood between the wheelhousings. Complementing the room is a big choice of powerplants. The amazing 4.3-liter Vortec V-6 engine is standard (except on 3500 models which feature a standard 5.7-liter V-8), or you can select from a wide choice of available V-8s, including a diesel. Thanks to electronic fuel injection, standard on every gasoline engine, Sierra offers instant starting response and outstanding over-the-road performance.

— all the power you need for full-size jobs, like towing. When properly equipped, Sierra can move up to 19,000 lbs, including itself, passengers, trailer, equipment and cargo.

Yet, with the available five-speed manual overdrive transmission and Vortec engine, a two-wheel-drive Sierra is rated at a thrifty EPA estimated MPG city 17 and highway 23. **Full-size inside.**

There's room for three adults inside Sierra's handsomely appointed interior, and even more shoulder and leg room than previous full-size pickups from GMC Truck. And Sierra's advanced aerodynamics help enhance its quiet, comfortable ride.

Built to be driven.

Sierra features a new independent torsion bar front suspension on 4 x 4 models, and a newly improved two-wheel-drive front suspension. And there's a new standard rear-wheel anti-lock brake system (operable only in the two-wheel-drive mode on four-wheel-drive models). The Insta-Trac system on four-wheel-drive models allows convenient shifting from two-wheel to four-wheel drive without stopping. When you take the wheel of the new Sierra, you'll be driving a full-size pickup with handling as advanced as its looks.

And Sierra has a warranty to match. Every new Sierra has a 6-year/60,000-mile warranty on the powertrain and a 6-year/100,000-mile warranty on outer-body rust-through. See your GMC Truck dealer for the terms and conditions of this



limited warranty.

Built to pass your toughest test.

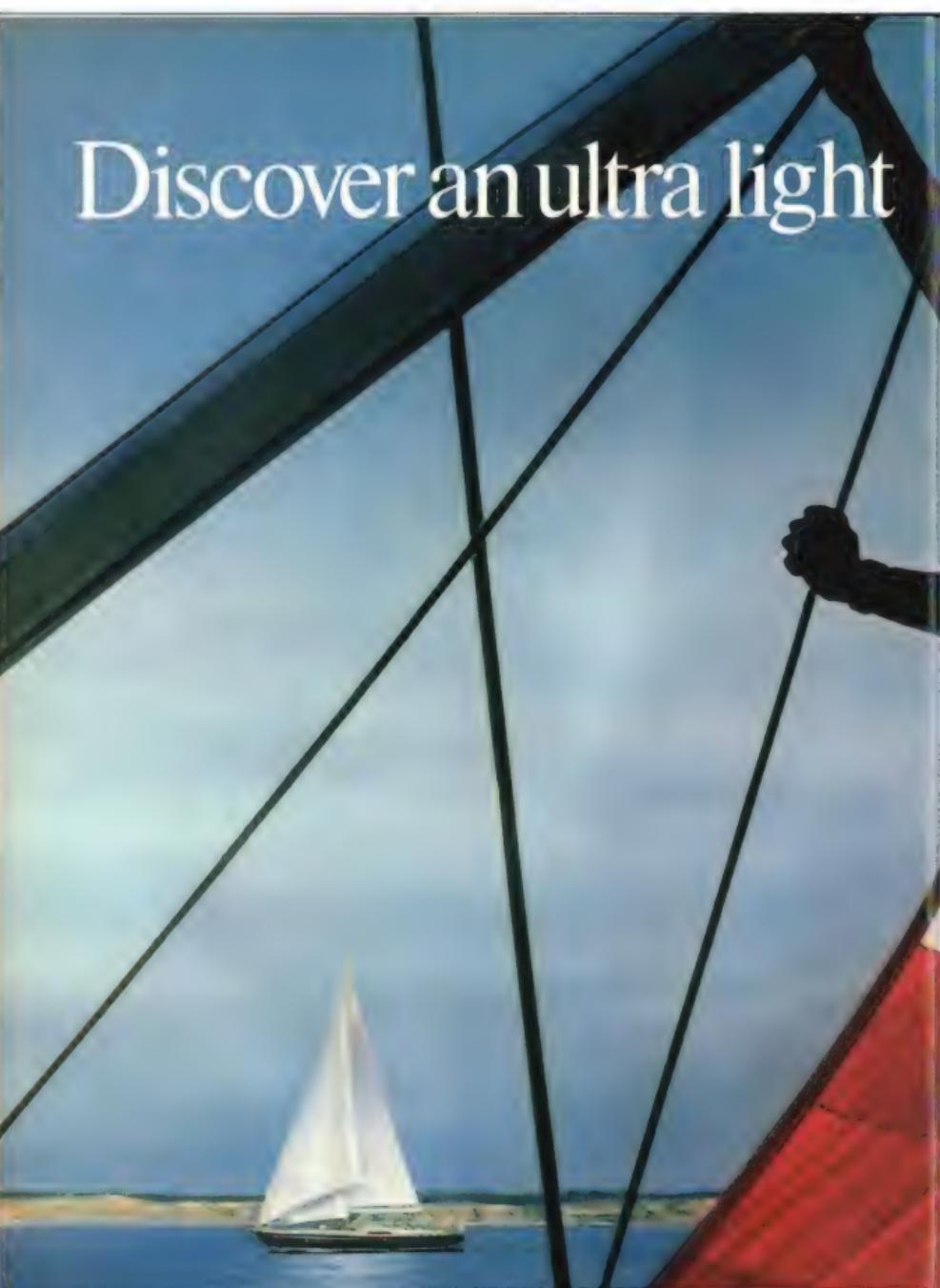
If you're satisfied with only the best in life, buckle up and visit your GMC Truck dealer. (You'll find a listing in the Yellow Pages, under "Truck" or "Automobile.")

See the new Sierra for yourself. It's everything you expect from a GMC truck. And like nothing you've ever expected in a full-size pickup.

Unless, of course, you expect only the best.

GMC TRUCK
IT'S NOT JUST A TRUCK
ANYMORE.

Discover an ultra light



with real flavor.

Merit Ultra Lights



Low Tar. 10 mg nicotine and 0.9 mg nicotine (FTC method).

SURGEON GENERAL'S WARNING: Cigarette
Smoke Contains Carbon Monoxide.

Announcing the Choice Way to Phoenix and Las Vegas.

O'Hare or Midway with our
choice Less Fare, More Care[™] service.



No need to stampede...
all seating is assigned.

Now, the reasons to choose
America West are really adding up.

In addition to our 3 daily
nonstops to Phoenix and 1 to
Las Vegas from Midway, we've added
service from O'Hare. With 3 daily
nonstops to Phoenix and 2 to
Las Vegas.

And what service it is! On our
757's from O'Hare, you can enjoy
our new Business Class that's second
to none. Where we'll pamper you
with extras from head to toe. Like
free headsets for music and movies.
A choice of entrees. Spacious seats.
Even slippers.

Naturally, whenever you fly
on America West, you'll get all the
goodies you see here...free. Even
London if you fly often enough.

When you're looking to leave
Chicago what better choice than
us. Call your Travel Agent for
reservations. Or call America West
at 800-247-5692.



The world at your
fingertips...a complimentary
Wall Street Journal.



Cocktails come with our
low-priced tickets.



Our Frequent Flyer Program...
how about Paris, Amsterdam
or London, for example?



Less Fare, More Care.

America West Airlines[®]

©1987 America West Airlines Inc.

Flagstaff • Atlanta • Baltimore-Washington D.C. • Calgary • Cedar Rapids • Chicago-Midway • Chicago O'Hare • Colorado Springs • Denver • Des Moines • Durango • Edmonton • El Paso
Grand Canyon • Great Junction • Hollywood-Burbank • Las Vegas • Littleton • Long Beach • Los Angeles • Mesa • Midland/Odessa • Milwaukee-Quad Cities • New York JFK • Oakland • Omaha • Orlando
Orange County • Phoenix • Portland • Pueblo • Reno • Sacramento • Salt Lake City • San Diego • San Jose • Scottsdale • Seattle • St. Louis City • Springfield, Mo. • Tucson • Wichita • Yuma • AZ

Nation

about the lack of security at his house. Liman asked why he would do this. Back came the up-front answer: "To protect myself."

North used the fear that his family was not safe in their home as an effective excuse for one of the most damaging charges against him: his acceptance of the gift from Secord of a security system, in apparent violation of laws prohibiting Government employees from accepting compensation beyond their salaries. The Marine said he had received a death threat from Abu Nidal, the infamous Palestinian terrorist. Glenn Robinette, a former CIA technician who directed the installation of a \$13,900 set of security devices at the house, had testified that two guards had been living in North's garage, but the North family had found this inconvenient and wanted less intrusive protection. Never mentioning the guards, North contended that he had

turned to the FBI for protection and was told the agency could not provide it. He asked his "superiors," who told him that a secure phone could be installed and then expanded into a more elaborate system. This proved "not feasible," North said; he was about to leave on a secret mission to Tehran, a venture so risky that Casey had told him to take along the means to kill himself in the event that he was tortured to divulge secrets. North then mentioned the problem to Secord, who recommended Robinette's services and paid the bill.

In what North described as "probably the grossest misjudgment that I have made in my life," he admitted, "I tried to paper over that whole thing by sending two phony documents back to Mr. Robinette." North backed out two offers to pay for the system in response to two equally false invoices from the former CIA hand. Never entirely contrite, however, North

declared, "Thank you, General Secord." And turning to the committees, he added: "You guys ought to write him a check because the Government should have done it to begin with."

North also linked the perils of the Tehran trip to an offer by Secord's partner Albert Hakim to "do something for my family" if he failed to return from Iran. North said he knew that Hakim was wealthy, and he was grateful for his assistance as a translator in the Iran negotiations. That is why, when Willard Zucker, one of Hakim's lawyers, asked Mrs. North to visit him in Philadelphia, the colonel advised her to do so. Hakim had testified that North would be the beneficiary of a \$2 million will if both Secord and Hakim were to die. Hakim had also sought a "proper way" to funnel \$200,000 to North's family.

But when Betsy North met Zucker, North testified, "there was no money

Sparring Partners

His interrogation of Oliver North was barely under way when Arthur Liman, chief counsel for the Senate committee, zeroed in on the black ring binder on the table in front of North. During lengthy questioning from the other lawyers, the Marine colonel had frequently consulted the book before giving his answers.

"What is in the book, sir?" Liman inquired. North began to explain that it contained notes that he and his attorney, Brendan Sullivan, had prepared. Sullivan abruptly cut his client off: "Don't tell him what it includes." He angrily asserted that Liman had no right to know.

In impervious, Liman continued with North: "Are you able to recall your conversation with Admiral Poindexter . . . without looking at that book?"

"That's none of your business either," Sullivan said. "You just ask him the questions!" Pointing and glaring at Liman, Sullivan shouted, "Get off his back!" So began a battle between combatants whose styles were as divergent as their appearances.

On the offense: the craggy-faced Arthur Liman, 54, a New York City trial lawyer whose sharp questions had already lacerated such witnesses as Richard Secord and Albert Hakim. A partner at the prestigious firm of Paul, Weiss, Rifkind, Wharton & Garrison, Liman (estimated annual salary: \$1.1 million) is a specialist in white-collar crime. Last January he joined the Iran-contra investigation for what he calls the greatest challenge of his career. For the defense: Brendan Sullivan, 45, a partner at Washington's best-known criminal-law firm, Williams & Connolly. Despite his mild appearance, Sullivan is a tireless worker and tenacious courtroom fighter.

Liman was expected to treat North as he had earlier witnesses, using a blend of relentless hammering and withering sarcasm. Instead he addressed the Marine calmly but sternly, pressing forward to expose the contradictions in North's answers. While some thought Liman may have been intimidated by North's popularity, others viewed the chief counsel's cross-examination as a cagey shift in strategy. Says one Liman associate: "By staying in low gear, he got more out of North in a part of a day than [House Counsel John Nields and George Van Cleave] did in 2½ days."

On the other hand, Sullivan was startlingly contentious. He ferociously attacked Nields and Liman on procedural points and claimed they were not treating his client fairly. While accusing the panel of stalling, he proved himself a master of the same technique whenever Liman seemed to have North cornered. Sullivan would interrupt the questioning with an objection or whispered advice for his client. Says a friend of Sullivan's: "He objects when he wants North to be able to think about his answer. He also tries to throw off the timing of the opposing counsel."

Despite the intensive sparring, there was a palpable undercurrent of mutual respect. At one point Sullivan demanded to see a passage from prior testimony cited by Liman. "Fortunately," Liman said, smiling wryly as he reached for the document, "I am prepared." Sullivan smirked and shot back: "I knew you would be!" As the crowd tittered, Liman asked, "Can I read you something? Will you trust me to read this?" Replied Sullivan almost playfully: "If I did, I wouldn't admit it." In that moment it was clear that these adversaries, though locked in high-stakes combat, were enjoying the fight.

By Jacob W. Lamarr Jr.

Reported by Hayes Gentry/Washington



Sullivan, top, clashing with Liman

Nation

mentioned, no will mentioned, no arrangement." The lawyer just asked about the family. After North returned from Tehran, the lawyer called again and inquired about the name of a family executor. North said he told his wife not to provide it, and they did not hear from the lawyer again.

North also explained why he had cashed traveler's checks given to him by *Contra* Leader Adolfo Calero, at such places as a tire shop and a hosiery store. The checks, he said, were meant for use in his *contra* resupply and other covert operations. He kept "meticulous" records in the now destroyed ledger about his expenses, and when no funds were at hand, he spent his own money. Then he reimbursed himself when new checks arrived.

North accused the committees of "snickering" when the hosiery items was posted in a wall enlargement. "You know that I've got a beautiful secretary," he said of his assistant Fawn Hall. "And the good

Lord gave her the gift of beauty, and the people snicker that Ollie North might have been doing a little hanky-panky with his secretary. Ollie North has been loyal to his wife since the day he married her." When he asked his "best friend" Betsy about the purchase, she told him, "You old buffoon, you went there to buy leotards for our two little girls."

Overall, North's defense was simple but masterly. He was just following orders. "If the Commander in Chief tells this lieutenant colonel to go stand in the corner and sit on his head," he declared, "I will do so." And if a question got sticky, North had another defense: "I don't recall." In his final morning in the week's testimony, the selective memory of the obviously bright officer failed on no fewer than 30 occasions. Earlier, North could not even recall why at one point \$41 million had been deposited in the Swiss accounts controlled by Secord and Hakim.

North plucked the patriotic heart-

strings perhaps more musically than even the President, turning to his favor a question about whether the day of his firing was "one of the worst days in your life." No, he replied, "most of those were days when young Marines died." The medals on his chest, said North, were really earned by the "young Marines that I led." He lectured the legislators on the Communist threat around the world, implying that he knew far better than they how to protect America against it.

The bravura performance drew a flood of flowers and yellow telegrams that swept to Capitol Hill in support of the man who started his own show trial. The "Olliegrams" were stacked on the witness table, as though shielding the colonel from any hostile questions. Jumping on the Ollie bandwagon, two Republican Congressmen interrupted the proceedings to criticize Counsel Liman for being too "prosecutorial." In fact, Liman approached North with unusual restraint.

WHO KNEW WHAT

Raising private and foreign funds for the *contras*



May violate the Boland amendment proscription against "direct or indirect" military support for the *contras*; some private fund raising skirted U.S. tax laws.

Shipment of Hawk missiles in 1985



Arms shipments to Iran made without the official authorization of a signed presidential "finding" is an apparent violation of the Arms Export Control Act; failure to notify Congress of the cover action would flout the Intelligence Oversight Act.

Diverting funds to the *contras*



Supporting the Nicaraguan rebels with profits from U.S. arms sales to Iran may have been a misappropriation of federal funds and a violation of the Boland amendment, as well as conspiracy to defraud the Government.

Engaging in the November 1986 cover-up



Participants could be charged with conspiracy to defraud the Government and obstruction of justice.

Ronald Reagan

Edwin Meese



North says he assumed the President knew of appeals to wealthy American donors and "third countries." Reagan has denied specific knowledge of solicitations, although he admits to "thanking" contributors.

Neither North nor any other witness has linked the Attorney General to the solicitation of private and foreign funds.

North testified that he believed he saw the President's signature on a November 1985 "finding" retroactively authorizing the Hawks sale to win the release of U.S. hostages in Lebanon. Reagan has said he did not recall when he approved the arms-for-hostages deal.

North says he wrote at least five memos detailing the *contra*-support operation, including the diversion. He could not say whether the President approved any of the memos and testified that Reagan subsequently told him that he "didn't know."

North denied telling his assistant, Lieut. Colonel Robert Earle, that the President had said to him on November 25, "It is important that I not know" about the diversion.

North testified that he assumed Meese not only knew about the shipment but helped draft the finding that authorized it, contradicting Meese's statements that he did not learn of the U.S. involvement in the sales until 1986.

The Attorney General asserts that he first learned about the transfer of profits from the Iran arms sales to the *contras* in November 1986, after a memo mentioning the diversion was discovered in North's office.

North confirmed that Meese acquiesced in the proposal that Casey deny CIA complicity in the November 1985 Hawks shipment. North also claims that Meese's assistants allowed him to shred documents while they were going through his papers.

probing more for revelations about his superiors than to slash at his story. Explained Liman later: "This is not a trial. We're not handing down verdicts. These hearings are about democracy and how foreign policy is made."

Still, Liman and House Chief Counsel John Nields managed to sketch some broader themes that North's more limited view of how a democracy functions. Nields pounced on North's complaint that his *contra* support role had been publicized in Moscow, Havana and Managua. "All our enemies knew it," replied Nields solemnly, "and you wanted to conceal it from the United States Congress."

Limam rather sympathetically led North into nearly conceding that his superiors had abandoned him when all the secrecy was punctured—which pushed the Marine officer into the difficult spot of trying to avoid portraying his bosses as either a willful part of a cover-up or too meek to defend their policy convictions. North had his most arduous time trying to justify the creation of Casey's covert

"slush fund" that not even the President need be told about. (Some of the proposed uses were for U.S.-Israeli operations that North explained in a closed session.)

Asked Liman: "After all you've gone through, are you not shocked that the director of Central Intelligence is proposing to you the creation of an organization to do these things outside of his own organization?"

North: "Counsel, I can tell you that I am not shocked . . . You know, maybe I'm overly naive, but I don't see what would be wrong with that."

Liman: "Well, maybe you are . . ."

Nor could North ever adequately explain who was supervising the vast profits pouring into the Secord-Hakim accounts from Iran arms sales. No one in the U.S. Government, it seemed, had actually monitored the huge cash flow. North claimed that it was his job to tell Secord just where to send money and that he trusted the general to do whatever was directed. Yet North admitted he was "shocked" to learn that only \$4 million

had gone to the *contras*, while some \$8 million remained in Secord's control. North challenged Nields' assertion that this money belonged to the U.S. Treasury, even while conceding that it was not Secord's to spend as he wished.

On the "smoking gun" memos in which North had outlined the diversion plans, Liman presented many documents in similar form but on far less significant topics that North had sent to Poindexter for presidential approval. These had been returned to the NSC aide's files with notes from the National Security Adviser indicating that Reagan had indeed given the plans a green light. The implication was clear: it would be extraordinary if a proposal for the diversion, with consequences serious enough to endanger the Reagan presidency, did not reach Ronald Reagan's desk. Unless, of course, North's foxy superiors had really intended to let the eager, can-do Marine twist slowly in the wind.

—By Ed Magnuson
Reported by Michael Duffy, Hays Garey and Barrett Seaman/Washington



William
Casey



Robert
McFarlane



Elliott
Abrams



John
Poindexter

The CIA director frequently provided North with instructions and advice about the secret *contra*-support network. It was Casey, North testified, who told him to set up an "operational account" to handle the flow of covert funds.

The former NSC adviser says he had ordered his staff not to solicit funds. "I never heard those instructions," North testified, adding that McFarlane was the one who asked him to keep the *contras* going after the Boland cutoff.

Casey knew about the shipment, North said, and deliberately misled Congress, avoiding any mention of the deal during testimony in November 1986—one of his last official statements on the matter before his death.

Casey knew about the diversion in advance, said North, and strongly endorsed it, calling it "the ultimate irony, the ultimate covert operation." Last December, Casey told *TIME*, "I don't know anything about diversion of funds."

Intensive shredding began last October, North said, after Casey advised him to "clean up the files" because a *contra* resupply plane had been shot down and investors in the Iran arms deals were threatening to sue.

North said nothing to contradict earlier accounts of McFarlane's involvement in arranging the Hawks shipment.

McFarlane testified that he was unaware of the diversion until North told him about it during their trip home from Iran in May 1986. North did not contradict this.

North testified that McFarlane instructed him to include false statements in a chronology of the Iran arms shipments; McFarlane has said the misleading entries were given to him by others during a drafting session presided over by North.

The Assistant Secretary of State has admitted soliciting \$10 million from the Sultan of Brunei. North says Abrams was also aware of his activities on behalf of the *contras*.

To date, there is no evidence that Abrams was involved in arms sales to Iran.

While North testified that Abrams was almost certainly aware of *contra*-support activities, he did not say whether Abrams knew about the diversion. Abrams has told Congress he had no specific knowledge of North's activities.

North said Abrams asked him to arrange for the return of the bodies of American crewmen shot down in a *contra*-supply plane over Nicaragua, contradicting Abrams' testimony that he was unaware of any official U.S. connection with the plane.

North testified that the one-time NSC adviser authorized his fund raising and resupply efforts.

Poindexter was kept apprised of the planned shipment by North.

North testified that Poindexter approved the diversion with the comment, "This had better never come out."

After the scandal broke, North said he assured Poindexter that he had destroyed all memos relating to the diversion. (One survived.)

The Presidency / Hugh Sidey

Yes, Reagan Was Watching

All week long Ronald Reagan was on the sidelines, or at least playing at the fringes, an uncharacteristic role for the most powerful man in the Western world.

It began on the Fourth of July weekend up at Camp David with hours of reminiscing about Fred Astaire, a Reagan friend who had died two weeks before. A collection of Astaire's old movies was Nancy Reagan's birthday present to herself. The first couple were spun again from nasty reality through the golden extravaganzas of Hollywood with *Swing-time* and *Funny Face*.

No matter how grim life may seem and how insistent his critics are that Reagan look and act despondent, he refuses. Amid Washington's Iran-contra catharsis, Reagan has wandered off unexpectedly in his odd little byways.

In talking about Novelist Gore Vidal, disparager of mankind, Reagan got a twinkle in his eye and allowed as how even Vidal might err. A passage in Vidal's novel *Lincoln* had the Great Emancipator standing in the White House staring out of a window. By his calculation, chuckled Reagan, if Lincoln had been where Vidal placed him, he would not have seen what Vidal described.

Then there was Oliver North to ponder—or ignore, or something. But Reagan was not to be hurried. First came Nancy's birthday. The President presented her at breakfast with an assortment of greeting cards. Nancy whisked off across the Potomac to lunch with her staff at the luxurious Windows restaurant, then came back for a very private dinner with her husband. Oddly, no reporter asked Press Spokesman Marvin Fitzwater what birthday Mrs. Reagan was celebrating. She was, in fact, an elegant and lively 64, er, give or take a year. But birthdays and almost everything else had been pushed aside in the media, all waiting for the big clash on Capitol Hill.

When Ollie North took the stand on Tuesday, Reagan walked resolutely through a busy schedule, trying to portray himself as a man with more important work. But in the back corridors of the White House, the sound from the televised hearings leaked out from behind a door or two. Two aides of White House Counsel A. B. Culvahouse monitored every second of the Iran-contra drama; another White House lawyer posted himself in the hearing room to catch the off-camera subtleties and interplay. The Communications Office got it all on tape should Reagan want to take a full look later. The White House was walking on Ollie's eggs.

The first day's score as tallied by Reagan's experts: no runs, no hits, no errors for anyone. Yet even then there was a vague feeling that North might prove to be a good gorilla, a polite but strangely muscular force unleashed by the unsuspecting investigators in their midst.

As the second round of the heavyweights began on Wednesday, the President was shaving and putting on his shirt, casting glances at Ollie on the bedroom TV. Reagan was plainly feeling a little happier, though still very cautious.

What did he think about the show? a staffer asked. Reagan declined comment even in such an intimate environment. He'd just better not say yet. As he flew off to Connecticut for a little distracting hoopla, the fact that North was the most compelling friend of the White House to testify so far began to lift the spirits of the entourage. Reagan took time to denounce a magazine article that described him as a has-been. "I can't understand this," he said as Air Force One roared north. "Who is this they are writing about?"

Upon arriving back in Washington, the President was perplexed by another topic. "Why are they saying I'm not interested in the hearings?" he asked his staff, seemingly oblivious to the strategy of protecting him by constructing a dense pack of trivia about his daily activities. Reagan has never feigned aloofness from his critics as Lyndon Johnson and Richard Nixon sometimes used to. He read the summaries of each day's doings, caught glimpses of the live testimony as he moved through his daily chores. At noon and in the evening he monitored the network replays.

By Thursday, Reagan was hanging out in his small study just down the hall from the Oval Office to savor pure chunks of the drama, which was by then going Ollie North's way. Reagan's very private and tentative conclusion: public opinion was changing, a lot of Americans were going to see that the Administration was trying to do something important in Nicaragua and that congressional critics were too often meddling.

The next stop was a dinner for new CIA Director William Webster up in the ritzy Kalorama neighborhood of Washington at the home of former Texas Congressman Frank Ikard. The President and his wife arrived smiling, buoyed by reports that congressional and White House mail and phone calls were

running overwhelmingly in North's favor. At last the American people were beginning to get a clearer picture, Reagan ventured. He laughed at a story about Actor George Burns, shared the misery related by Chief of Staff Howard Baker of traveling that afternoon to and from New York on the air shuttle and drank deeply of good California Cabernet. No complaints, no despair.

By the end of the week, Ronald Reagan could dare hope for the first break in the dismal script that had begun eight months earlier. Private polls rushed to the White House showed Americans beginning to believe North's story that he had not talked to the President about the diversion of funds. Ironically, there was a hint in the new data that Reagan's request for more aid for the *contras* might get a huge boost from North's testimony.

Still, as Reagan hunkered down for the weekend there was a long and uncertain journey ahead. "The rumors about what Admiral Poindexter may say next week are all around," said an aide. "And they are just as frightening as those about Ollie North."



Despite appearances, not quite business as usual



Hometown booster: Orchard Owner Alan Grout stands by his makeshift billboard just outside Philmont, N.Y., where the Marine grew up

Olliemania Breaks Out All Over

From pop tunes to prayerful vigils, America looks North



Meet Oliver North, Superstar. The Marine lieutenant colonel with the oh-so-earnest baby blues was everywhere last week. His face flickered in dizzying multiplicity on banks of TVs at every department store, as well as in bars and restaurants and millions of homes. While North was not exactly an overnight sensation, he completed his transformation from rather notorious White House staffer to full-fledged American icon.

Olliemania was breaking out all over. There was the irreverent: "The First Annual Fawn Hall Shredding Party" at a bar in Marina del Rey, Calif., in which the contest winner destroyed a computer printout marked CONFIDENTIAL. And the worshipful: a candlelight vigil by about 100 Ollie-philes gathered on the steps of the Utah state capitol in Salt Lake City. The vigil, organized by an Annapolis classmate of North's, began with the recitation of the Pledge of Allegiance, followed by spirited chanting of "We love Ollie."

On a warm day in Chicago, so many commuters were listening to North on their car radios

with the windows open that his testimony sounded like it was in multitudinous stereo. In other parts of the country, THANK YOU, OLIVER NORTH bumper stickers reminded commuters that Ollie was on the air. Those who could watch, did. Fifty-five million Americans saw all or part of North's testimony the first day. Ratings revealed that North's star turn was pulling in some 10% more than the usual daytime dosage of soap operas and game shows. At offices and stores around the nation, employees were sneaking off to catch a glimpse of Ollie. Steve Nixon, 35, an insurance executive in Reynoldsburg, Ohio, carted a TV set to work in order to keep up with Ollie.

Many people sought to help the charismatic colonel. Donations to the Oliver North Legal Assistance Fund in Washington picked up considerably; it is expected to go well above the nearly \$100,000 already collected. In Jacksonville, N.C., home of Marine

Camp Lejeune, where North once trained, retired Army Colonel E.M. Edens, 72, called the local paper with an offer of \$100 to start a fund to pay for North's security system. In Washington, the epicenter of the Ollie phenomenon, the offices of Congressmen on the committee were besieged with letters and telegrams running 20 to 1 in favor of North. "Keep your chin up," said one; "Good luck against those ill-bred hyenas," said another. North has personally received some 15,000 telegrams of encouragement. All the while, Ollie-entrepreneurs were trying to capitalize on the fascination. At a Young Republicans' convention in Seattle, Joel Shelton sold out his 20 \$4 Oliver North buttons (I.T. COL. OLIVER NORTH—AN AMERICAN HERO—DUTY, HONOR, COUNTRY) in an hour. "And when I ran out of them," he says, "people seemed kind of angry that there weren't more." A Washington rock-'n'-roll band released a song to the tune of *Johnny B. Goode*, called *Ollie Be Good*. Sample lyrics:

"He thought he was a hero who could save the day. By making Nicaraguan Commies go away. He never learned to read the law so well. But he could shred paper like ringing a bell." ■



Supporters make their feelings known during the President's visit to New Britain, Conn.; Dentist Jack Charig listens to the hearings while he works; a shredding contest in Marina del Rey, Calif.



Next, the Most Important Witness?

Poindexter cannot match North's theatrics, but his story will be crucial



Who will prove to be the most important witness the *Iran-contra* committees hear? No, not Oliver North—at least not according to Warren Rudman, vice chairman of the Senate panel. After listening to North for four days last week, the New Hampshire Republican repeated a long-standing prediction: the crucial witness will be Ollie's old boss, former National Security Adviser John Poindexter, who follows North to the stand this week.

To be sure, TV viewers cannot expect any rerun of North's theatrics. The balding, pipe-puffing Poindexter is the exact reverse of a dramatic figure. He speaks, when he must, in a soft monotone, and the sentences are brief and colorless. But it was Poindexter who received North's voluminous memos and Poindexter who talked to Ronald Reagan every day. So it is Poindexter who can answer some central questions: How much did the President know about North's secret activities to aid the *contras*? Did Poindexter even tell Reagan about the diversion of Iranian arms-sale profits to the Nicaraguan guerrillas? And if not, on whose authority did Poindexter allow North to proceed?

Replying to those questions before a national audience may be close to the ultimate agony for Poindexter. When Reagan appointed the vice admiral to the job of National Security Adviser in 1985, he already had such a reputation for reclusiveness that one of the first questions journalists asked him was whether they would ever see him again. "Maybe," replied a smiling Poindexter. In a job that brought world renown to such predecessors as McGeorge Bundy, Henry Kissinger and Zbigniew Brzezinski, Poindexter proceeded to stay nearly invisible for just under a year. He was seen outside the White House so seldom that Washington reporters labeled his rare public appearances "Poindexter sightings."

Within the Government, he was far more comfortable talking to colleagues by computer messages than face-to-face. Indeed, it was his fondness for electronic conversation that created many of the memos he will be grilled about this week. At home, his wife Linda has jokingly told a friend that she is looking forward to her husband's testimony "because I'll probably hear him say more words in a week than I've heard in 29 years of marriage."



The long-silent admiral in a characteristic pose

Even after the *Iran-contra* affair thrust him into the headlines last November, Poindexter maintained his silence. He quietly resigned from the National Security Council and pleaded the protection of the Fifth Amendment when initially called before congressional investigators. He accepted a lowering in rank to rear admiral and the loss of one of his three stars. To remain a vice admiral, Poindexter, 50, would have had either to take early retirement or transfer to a job requiring Senate confirmation. Said a colleague: "Can you imagine him taking the Fifth at his own confirmation hearing?"

Commuting every day to a desk in the Pentagon, where he has been assigned to the Navy's long-range planning, or occupying himself with various fix-up projects at home in Rockville, Md., Poindexter at

first tried to ignore all developments in the growing *Iran-contra* scandal. But for the past three months he has spent his time in the Washington office of his attorney, Richard Beckler, preparing for his appearance on Capitol Hill. Last week he sat glued to a TV set, watching North's testimony and expressing admiration for his former aide's assertiveness. Though Poindexter has no hope of matching it, he has been taking lessons from his lawyers in how to avoid potential traps set by cross-examiners.

The drilling has not come easily to Poindexter: he has grumbled to friends that he considers the hearings a politically motivated show to be stoically endured. He is more worried about the investigation conducted by Independent Counsel Lawrence Walsh. Though Poindexter will testify this week under a grant of limited immunity, Walsh could still indict him on the basis of evidence gathered separately. Friends say Poindexter believes he is indeed in danger of indictment.

If so, it would be a sad denouement to a once sparkling career. Before his appointment to the NSC, Poindexter was considered the model of the fast-track Navy officer. His superiors seem to have marked him early as a potential Chief of Naval Operations—a position that was long thought to be Poindexter's own goal—and to have carefully groomed him for the job through a judiciously chosen mixture of Washington assignments and sea-duty posts.

Certainly no one ever doubted Poindexter's intellect. "Even when we were kids, John was someone special," recalls



1954: at his school prom in Odon, Ind.



1958: President Eisenhower hands him Annapolis diploma

his cousin Richard Poindexter, 54, who was close to him in childhood. "We knew he was extremely intelligent and seemed even then destined for greater things." The son of a banker, John Marian Poindexter grew up in Odon, Ind. (pop. 1,400), described by Richard Poindexter as a "very conservative, Bible-belt community." A thin, shy and bookish child, Poindexter was an exemplary student who won appointment to the U.S. Naval Academy from the late Republican Senator Homer Capehart. Poindexter's mother Ellen recalls that the Senator once sat in the family's living room on a Sunday afternoon and told John that "he hadn't had very good luck with boys from Daviess County." That statement, she believes, was "part of the reason why John wanted to do so well" at Annapolis.

Poindexter graduated in 1958 first in his class academically and was chosen brigade commander, signifying that he rated first in leadership ability as well, an extremely rare double honor. After a year at sea, he was selected for a scholarship program of advanced study in science. He chose nuclear physics at Caltech, even though he had taken only a single physics course at Annapolis. "The Navy's chief scientist advised told me to scale back, saying, 'You'll never make it,'" Poindexter said in an interview with *TIME* last year. "But I thought I was very good, and nothing was beyond my capability." Poindexter plowed away and won a Ph.D. five years later. His thesis topic: "Electronic Shielding by Closed Shells in Thulium Compounds."

Two days after his graduation from Annapolis, Poindexter married Linda Goodwin, a college student he had met while traveling with the Naval Academy debating team. In John's first year at Caltech, Linda bore the first of five sons, who now range in age from 27 to 16. Linda is as outgoing as John is reserved. "On personality tests we are on the opposite ends



Presiding over a policy meeting in the White House

of the spectrum," says she. After their children started leaving home in 1980, Linda began studying for the ministry. She was ordained an Episcopal priest last December, and is associate pastor of a church in Gaithersburg, Md.

After Caltech, Poindexter served alternating tours at sea and in Pentagon offices. In 1981 he got to the White House as military aide to National Security Adviser Richard Allen. His first jobs were not demanding: "He put up maps on the wall before briefings," joked Allen later. Within months, however, he was reorganizing the White House Situation Room and updating the NSC's computer system. Writing computer programs has been one of Poindexter's abiding interests; he recently devised a new program to modernize the publications of Linda's church.

Poindexter rose steadily at the NSC, finally taking over day-to-day operations as deputy to National Security Adviser Robert McFarlane. The Admiral won some brief glory, at least within the White House, for coordinating the U.S. capture of the terrorists who had seized the cruise ship *Achille Lauro*. Though North claimed credit for devising and executing the operation, colleagues say Poindexter deserves the greater honor. They vividly remember him sitting coolly at his desk munching a sandwich from the White House mess and sipping a glass of red wine while directing the interception by Navy jets of the Egyptian airliner carrying the sejackers.

When McFarlane resigned toward the end of 1985, worn out by a turf war with Chief of Staff Donald Regan, the President named Poindexter to succeed him. It was widely believed Regan, who is thought to have been present at nearly every one of Poindexter's daily briefings of the President, considered Poindexter a man he could control. The new National Security Adviser did manage to resolve two long-standing policy disputes within the Administration: he mediated the decision to abandon U.S. observance of the unratified SALT II treaty and to retaliate against terrorism by launching the 1986 air strike against Libya. But he showed no interest in explaining policy. The press lambasted him for writing a memo last August urging a campaign of "disinformation" against Libya. Congressmen complained he was excessively secretive in dealing with them too. Said Poindexter: "It's true we need to get out our story better. But considering the things I do best, it doesn't make sense for me to change."

Friends and former colleagues think Poindexter was badly miscast at the NSC. "He is a nuclear physicist, an exemplary military man and a brilliant technician," says one NSC veteran. "In other words, an ideal No. 2 or 3." A close observer asserts the admiral "could write a tough computer note to North, but he had trouble resisting Ollie's pleading in person. The combination of personal softness and political inexperience is what did him in." The irony, a Navy colleague remarks, is that "he didn't want to go to the NSC in the first place. He wanted to command ships."

Both Poindexter and Reagan may now wish he had. Voicing what might be a bureaucratic credo, Poindexter once advised associates that the way to get ahead was never to make a mistake. This week he will be called to account for some of the most politically damaging mistakes ever made in American foreign policy. —By George J. Church.

Reported by David Beckwith/Washington



1986: with Linda, two sons and grandson at his home in Rockville, Md.

The Kremlin's New Cards

With Reagan under siege, Moscow may target SDI again

The fate of President Reagan and of his Administration is in God's hands," argues Valentin Falin, a principal Soviet spokesman and director of the press agency Novosti. "If Oliver North reveals Mr. Reagan as a co-conspirator, then your President will not be worth a kopek." While the Soviets may be relishing the Iran-contra crisis, their interest is more strategic than voyeuristic. Reagan's current predicament, combined with Mikhail Gorbachev's success at consolidating his own power in the Politburo at his party plenum last month, has convinced many in Moscow that Reagan now needs a summit far more than Gorbachev. As a

tive approach," says State Department Spokesman Charles Redman.

Once again, Reagan's proposed Strategic Defense Initiative may be playing a central role in the Kremlin's thinking. Gorbachev has a history of performing deft flip-flops on whether to demand strict restrictions as a condition for other arms-control agreements. A year ago, he indicated that an INF deal could be cut separately. That led to October's Reykjavik summit. There the Soviets proposed a package deal, including acceptance of Reagan's zero option on INF in Europe along with deep cuts in strategic weapons and restrictions on SDI. The deal fell apart

well as the deployment of SDI in space.

Soviet officials maintain that Gorbachev has made a few statements this year indicating that an INF agreement on its own might not be enough to warrant a summit. "A summit must not be just a ceremonial and pompous meeting," says Georgi Arbatov, the Kremlin's best-known Americanist. "If we have only an agreement on INF and nothing else, people will not be sure what will happen next in arms control. Therefore perhaps something should be added, perhaps at the summit itself."

U.S. officials say they have no formal indication that the Soviets are trying to make an INF deal contingent on a framework involving SDI. "They are making tougher noises on INF," says a high-ranking Administration official. "But I have no sense that they are re-linking." Another U.S. official close to the Geneva talks views Moscow's moves as typical presumptuous posturing. "Shock diplomacy is what they specialize in," says he. "Backtracking on INF linkage would be consistent with the kind of shell game we've come to expect."

Even without the SDI question, stubborn obstacles still stand in the way of an INF agreement. Under the current proposal, medium-range missiles in Europe would be dismantled, but each side would retain 10 warheads on missiles located elsewhere. The U.S. is now pushing for a "global zero" plan that would eliminate all such weapons. The Soviets have made conflicting noises about whether they might agree to this, but their official position is that they will not. Another stumbling block involves shorter-range missiles. The Soviets insist that 72 old Pershing 1A missiles in West Germany must be dismantled as part of a deal. While the missiles belong to the West Germans, their nuclear warheads belong to the U.S. American officials say eliminating these systems would cause a political uproar in Bonn and strain its ties with Washington. That may be precisely what Moscow has in mind.

For the time being, the Soviets seem content to sit back and monitor the Iran-contra hearings before taking their next step. If Reagan emerges unharmed, Gorbachev may be quick to clear away the obstacles to an INF accord and a summit. If, on the other hand, the President's reputation—or Shultz's—is further wounded by the hearings, the Kremlin might decide it has the upper hand. Soviet observers contend that the President, along with his political advisers, may realize that only a successful summit can deflect attention from the Iran-contra affair and assure Reagan a favorable mention in the history books. And if Reagan is unwilling to make the concessions necessary for such a summit, Moscow may then conclude it can now afford to wait for his successor.

—By Jacob V. Lamarr Jr.

Reported by Strobe Talbott/Moscow and Bruce van Voorst/Washington



result, a wide spectrum of high-ranking Soviet officials are hinting that they may pounce on the opportunity to seek further U.S. arms-control concessions—notably on Star Wars—before setting a date for the two leaders to meet in Washington.

Only a few weeks ago, the foundation for a summit seemed to have been firmly established. The U.S. and the Soviet Union had agreed in principle on a plan to eliminate intermediate-range nuclear forces from Europe. This INF agreement, which would also include the elimination of shorter-range missiles, was to form the basis for a third meeting between Reagan and Gorbachev. But now the Soviets seem to be stalling. The Kremlin postponed a Washington meeting between Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze that had been expected to take place last week. "The Soviet Union seems to be drawing back in the past week or two from what we would consider a constructive or posi-

because Reagan felt Gorbachev was going too far in trying to limit SDI. Subsequent polls in Western Europe showed that the Soviets had won a propaganda victory. Some American negotiators felt they had been sandbagged.

Last February Gorbachev reversed field again, proclaiming that he was willing to unlink an INF treaty from SDI. But now that such an agreement seems close and summit fever is rising, there are signs that the Soviets are preparing to re-link SDI to the package—and perhaps even attempt a repeat of their Reykjavik public relations sandbag.

Over the past two weeks high-level Moscow officials have told TIME that the Soviet view all along has been that any summit should, if possible, be based on what they call "INF-plus." The plus they have in mind: tying an INF deal to a "framework agreement" that spells out "key provisions" on deep reductions of strategic arms and bans the testing as

Holes in a Spy Scandal

The Moscow embassy case has been a fiasco

Alarms went off all over Washington last March when former Marine guards at the U.S. embassy in Moscow were charged with espionage. Defense Secretary Caspar Weinberger proclaimed the case "quite comparable to Iran's actions in seizing our embassy in Tehran." The Reagan Administration, believing that the Marines had allowed KGB agents to plant miniaturized listening devices in the embassy, cut off electronic communications with it and undertook a \$100 million program to replace security and communications equipment in Moscow and elsewhere. It seemed that the two key defendants, Sergeant Clayton Lonetree and Corporal Arnold Bracy, who were said to have been seduced into espionage by Soviet women, belonged up there with Benedict Arnold in the ranks of military traitors.

That judgment now appears to have been hasty at best. Bracy is no longer accused of anything. Lonetree is still charged with passing secret documents and the names of U.S. intelligence officers to the Soviets. Others face courts-martial on less serious matters. But the most stunning charges of spying inside the Moscow embassy have been dropped for lack of evidence. Indeed, no Soviet bug has yet been found anywhere in the current embassy, and there is growing concern that the military may have either blown the investigation or blown it out of proportion or both. Says a ranking U.S. diplomat familiar with the case: "The charge that KGB agents were being led around the embassy has never been proved. There's never been any evidence that the embassy was compromised in any way, at least in connection with Bracy's and Lonetree's associations with Soviet women."

Some Administration officials continue to insist that "confessions" by Lonetree, Bracy and others justified "worst-case" assumptions about the espionage damage, even if the statements, since recanted, could not be corroborated. "There is sufficient detail in their statements to see a classic espionage pattern," says a senior White House aide who is closely monitoring the case.

But did the accused embassy guards sketch that pattern, or was it provided by aggressive, overzealous agents of the Naval Investigative Service? According to military attorneys for Lonetree and Bracy, the classified report of the formal investigation reveals that Lonetree's NIS interrogators urged him to "lie



Bracy, vindicated, in New York last week

to us. Clayton," hoping that he would implicate others.

By then Lonetree, a devotee of spy novels who had already been transferred from Moscow to Vienna, had voluntarily admitted to having had liaisons with a Soviet woman and providing relatively low-level documents from the Vienna embassy—but not the Moscow embassy—to a KGB agent nicknamed "Uncle Sasha." Only under persistent and prolonged NIS questioning did Lonetree name Bracy, asserting that when the two of them were in Moscow they had let Soviet agents roam the embassy's secure areas. On the strength of Lonetree's statement, Bracy was arrested.

According to his Marine lawyer, Bracy's interrogation and his eventual confession were shams. The lawyer, Lieut. Colonel Michael Powell, says NIS investigators have admitted altering their assessments of

portions of Bracy's polygraph results from "nondeceptive" to "deceptive." (The Marine brass say the changes were merely "administrative.") Powell, an eleven-year corps veteran, insists that Bracy was ordered to sign an inaccurate summary of his statement without being allowed to read it. But when one of his interrogators then jumped up and shouted, "We've got ourselves another spy!" Bracy immediately denied saying anything of the kind. He also denied any sexual involvement with Soviet women and, says Powell, was held incommunicado for hours in a motel room after he had asked to see an attorney.

Lonetree was originally arrested late last year in Vienna. Charges against Bracy were filed about three months later, shortly before Secretary of State George Shultz was scheduled to arrive in Moscow for arms-control and summit discussions. The spy charges cast a pall over the Shultz mission; some State Department officials say that was one reason the charges were so well publicized, perhaps even hyped. Says a senior U.S. diplomat: "There are forces of darkness, if you want to call them that, who oppose any kind of long-term improvement in U.S.-Soviet relations." Even Republican Congressman Richard Cheney, a member of the House Intelligence Committee, concedes that some people inside the Reagan Administration "may well have" exploited the spy case in hopes of embarrassing Shultz.

Loud voices in the Pentagon and on Capitol Hill quickly shifted the focus of attention from alleged spying at the current U.S. embassy to the already well-known Soviet bugging of the still unfinished new embassy chancery. Why bait the public with the Marine case, then switch to the new facility? Because, says a top Reagan aide, both cases "are part and parcel of the same problem—a breakdown, or lack of existence, of counterintelligence." Perhaps. But no one has suggested that Marine guards had anything to do with the bugging of the new embassy.

Faced with rising criticism, officials say it will take months to determine what, if anything, happened in the Marine case. Says Robert Lamb, head of the State Department's bureau of diplomatic security: "We've got a lot of work before we can give even an interim judgment." A classified report completed this month by a presidential commission led by former Defense Secretary Melvin Laird is said to recommend the creation of a new elite guard corps.

But a Marine general in Washington with detailed knowledge of the case seems to have new doubts of his own. Says he: "This does not feel to me, now, like one of the great espionage cases of the century." —By Stanley W. Cloud/Washington



The U.S. mission on Tchakovsky Street: Scene of the non-crime?

"There's never been evidence that the embassy was compromised."

Good News:

American car prices up less than the Japanese.*

AMERICAN
8%

JAPANESE
20%

Better News:

Chrysler prices up least of all.

**CHRYSLER
4.3%**

FORD

8.3%

GM

8.7%

We think that says something for our fiscal responsibility.

Our prices are up least of all.

And our protection is still the longest.
Only Chrysler backs the quality of every car
and truck it builds for 7 years or 70,000 miles!†



We just want to be the best.

†Protects engine, powertrain and against outerbody rust-through on every car and truck we build. See limited warranty at dealer. Restrictions apply.



The candidate's wife enrolls in the Betty Ford school of political honesty

A Mild Dose of Candor

Kitty Dukakis reveals a former drug dependency



The 1988 presidential race has come to resemble a marathon encounter session: long periods of tedium punctuated by embarrassing personal disclosures. The latest revelation came last week when Kitty Dukakis, 50, the seemingly self-assured wife of Massachusetts Governor Michael Dukakis, publicly enrolled in the Betty Ford school of political candor. Her secret: 26 years of mild amphetamine dependency that ended in 1982 after she secretly entered a drug-rehabilitation clinic in Minnesota.

Were it not for Dukakis' place at the front rank of Democratic presidential contenders, the story Mrs. Dukakis told

at the dedication of a drug-treatment center in Norfolk, Mass., would be sadly ordinary. Her problem began when, as a 19-year-old in 1956, she obtained a prescription for diet pills to control her weight. (At 5 ft. 6 in., she then weighed about 130 lbs.; she now weighs 120 lbs.) Years of deceit followed as she began each morning with a small 5-mg dose of amphetamines. In hindsight, she concedes that the drug "contributed to my being hyper" and provided a "false energy level."

Discovery did not come until late 1974, fully eleven years after she married Dukakis. Her husband, just elected Governor, stumbled on her cache of pills. "I

told him the truth: I was dependent," she recalls. Her family doctor tried to wean her from the diet pills, but three months later she was again covertly obtaining them from another physician. She continued the charade for eight more years until her husband noticed a stray bill from the doctor who was writing her prescription. Only then did Mrs. Dukakis reluctantly confront her dependency. "I had been taking diet pills for 26 years," she says. "I was very frightened. I didn't know much about recovery programs."

In the summer of 1982, with Dukakis locked in a tight race for Governor, his wife invented a mythical case of hepatitis to mask her monthlong stay at the Hazelden Rehabilitation Center in Center City, Minn. Defending this cover-up at a press conference last week, Dukakis said, "It was very important to her that this not be public, and I respected that."

Why then did Kitty Dukakis suddenly feel compelled to set the record straight five years later? "I've had a long enough period of recovery," she explained. "I feel strongly about my recovery, and one of the tenets of recovery is to help other people." There were no rumors about Kitty Dukakis and no apparent political need to go public. But a carefully timed announcement was probably inevitable after she revealed her diet-pill problem to Campaign Manager John Sasso in March.

Her bravery should not be minimized, nor should the extent of her former drug problem be exaggerated. Medical experts say the amount of amphetamines she was taking probably caused only psychological dependency. Dr. Jack Blaine, the chief of treatment research at the National Institute on Drug Abuse, says, "Giving this up is more than giving up one's morning coffee and less than giving up cigarettes." Kitty Dukakis might agree. She still smokes a pack a day.

—By Walter Shapiro

But Mike's Raking In Money

Philip Schaefer had come cross-country from San Francisco to enrich Michael Dukakis' campaign treasury. It was a fine evening, Schaefer recalled, but he was surprised that his \$1,000 ticket bought snacks instead of filet mignon. "Governor," joked the Democratic fund raiser, "never have so many paid so much to eat so little." "What do you mean?" shot back Dukakis, reveling in his reputation for parsimony. "We had an open bar."

That low-overhead, high-priced reception in Boston last month helped make Dukakis the cash king of Democrats. When candidates of both parties file their quarterly reports with the Federal Election Commission this week, Dukakis will show total donations of \$4.2 million. He displaces Delaware Senator Joe Biden, now running second with \$3.1 million. Missouri Congressman Richard Gephardt will be third, with \$2.2 million, and the other four Democrats are well behind.

The bucks box score is important not only because it helps fuel a vigorous campaign now and generous TV ads next winter, but also because it is a mark of momentum. In a crowded field that lacks a clear front runner, it is a test of

early strength. Dukakis must still show that he can attract money from strangers. Two-thirds of his haul came from Massachusetts. Donors of Greek descent supplied some of the out-of-state money. Biden and Gephardt, by contrast, have built broader financial bases.

Among Republicans, George Bush is doing a Midas turn. His FEC report will show cumulative receipts of \$9.3 million, a tribute to his drawing power in the G.O.P. establishment. Bush has already spent more than most candidates have taken in. Rival campaigns have a frail hope: that Bush will spend so freely he will collide with the federal expenditure ceiling before the nomination is won.

Other Republicans seem in no danger of that. Senator Bob Dole has raised \$3.7 million and is also drawing on funds collected for his last Kansas campaign. Former Delaware Governor Pierre du Pont, though still a distant figure in polls, has pulled in \$2.3 million. By contrast, New York State Congressman Jack Kemp has been trying to shuck a reputation as the tin-cup candidate. Though he has collected \$3.3 million, much of it comes from direct-mail solicitation, a high-cost technique that helps explain why he had a mere \$150,000 balance after allowing for pending bills at the beginning of this month. His campaign is now emphasizing fund-raising methods providing a higher yield. —By Laurence J. Barrett/Washington

American Notes



New Mexico: four fugitives caught, three still on the loose



Immigration: in Miami, Nicaraguan exiles demonstrate for amnesty

NEW MEXICO

Independence Day Breakout

Chastened by a 1980 prison riot that left 33 convicts dead, New Mexico built a new maximum-security facility near Santa Fe with a surveillance system that was supposedly state of the art. But a snafu in the electric eyes plus a tight budget that cut out the nighttime roof guard allowed the Independence Day escape of two killers and five other felons.

The breakout was led by Convicted Murderer William Wayne Gilbert, 38, who pulled a 22-cal. gun, shot a guard and released six other inmates from their cells. The seven fled to the roof, thence over an 18-ft.-high chain link fence. By Saturday, searchers had caught four fugitives, but Gilbert and two others remained free. Corrections Secretary O. Lane McCotter authorized pursuers to shoot to kill if necessary.

IMMIGRATION

Nicaragua, Si; Salvador, No

"There's going to be a lot of celebrating in Miami," predicted a jubilant Roberto Arguello. The president of the Nicaraguan American Bankers Association was exulting last week because the Reagan Administration had just modi-

fied its immigration policy to provide asylum for 200,000 Nicaraguan exiles, including 75,000 in South Florida.

Exultation was not shared, however, by the legions of other Central American refugees the Administration refuses to welcome. Democratic Congressman John Joseph Moakley of Massachusetts, sponsor of legislation to prevent the deportation of Salvadorans and Nicaraguans, accused the Administration of "playing politics with people's lives" in helping Nicaraguans (reflecting U.S. aversion to the Sandinista regime) while ignoring Salvadorans (to avoid suggesting that they might have reason to flee from a government the U.S. supports). Said Moakley: "If El Salvador were under Communist leadership, they'd have the welcome wagons out waiting."

SCANDALS

Curtains for The Bond Affair

When former Georgia State Senator Julian Bond was accused by his estranged wife last March of using cocaine, the ensuing drama soon added Atlanta Mayor Andrew Young to its cast. The mayor, Bond's friend and fellow Democrat, was suspected of obstructing justice by cautioning Alice Bond not to spread rumors.

U.S. Attorney Robert Barr declared last month that there

was no case against Young. Last week he announced that there was no use or possession case against Bond. "We do not have any hard-and-fast evidence," said Barr. "It would be silly to try to prosecute."

ORGANIZATIONS

Not for Men Only

Most of the major international service clubs have always been of, by and for men. Even after the U.S. Supreme Court decided in 1984 that states could force the Jaycees to admit women, three of the biggest clubs—Rotary, Lions, Kiwanis—stuck to their bans on female membership. But since the high court ruled on May 4 that states can also compel Rotary clubs to accept women, the walls of discrimination have been crumbling.

On July 4 the 1.37 million-member Lions Clubs International agreed to admit women, and last week the Kiwanians (312,000 strong) followed suit. An estimated 90% of the 5,600 delegates to a Washington convention of Kiwanians International roared the needed two-thirds approval that abolished the traditional men-only rule. The Kiwanians, said Eleanor Smeal, president of the National Organization for Women, had sounded the "death knell for male-only economic organizations." Now, she went on, feminists can target all-

male "dinosaurs such as the Cosmos Club in Washington and the Bohemian Club in San Francisco."

POLITICS

Slow Shuffle For Bork

Washington's No. 1 foregone conclusion these days is that when U.S. Appeals Court Judge Robert Bork's nomination to the Supreme Court reaches the Senate Judiciary Committee, a battle royal will begin. Still, there is no sign anybody is postponing squabbling until the confirmation hearings. Even the question of when the hearings should start has raised a ruckus. Sept. 15, committee Democrats decided last week. Horrors, said the White House, eager to have Bork seated before the next court term in October. Implored White House Spokesman Marlin Fitzwater: "We would sure like to start the new term with a full court."

The White House was also miffed by word that Senator Joseph Biden of Delaware, the Judiciary Committee chairman and Democratic presidential hopeful, intends to lead the fight against the conservative Bork—exploiting a chance to win favor among liberal groups in a well-publicized setting. Biden, grumbled Fitzwater, has chosen to "politicize the hearings." Shocking.

World

PANAMA

The General Who Won't Go

The U.S. ponders how to handle a troublesome ally

All week long, while his rebellious country simmered, General Manuel Antonio Noriega, the besieged ruler of Panama, calmly went about preparing for the wedding of one of his three daughters, Sandra. In a Latin equivalent of the royal wedding, she was to marry the son of a general of the Dominican Republic at a lavish Sunday ceremony. The wedding, however, did not come off as planned. Instead, Sandra was married without fanfare at midweek, evidently to avoid the demonstrations that have become an almost daily feature of life in Panama City, the country's steamy capital.

The hastily rearranged nuptials seemed to sum up the frustrations and fears that have dominated Panama for weeks. The current unrest began last month, when charges of corruption were

publicly leveled against Noriega by his former second in command. First, in response to a wave of antigovernment protesters, authorities imposed a 19-day state of emergency, which was lifted two weeks ago. Next, riot police were sent into the streets to stop opposition forces from mounting regular protest rallies. Last week the government unleashed its latest weapon in the fight to keep Panama from boiling over: a presidential decree that prohibits all public protests and rallies.

Only three days after the ban, thousands of Panamanians defiantly took to the streets of the capital. Their demand: dump General Noriega, who is not only the country's military commander but its de facto dictator. The government responded with determination. As helicopters monitored events from above,



Manuel Antonio Noriega in civilian clothes

hundreds of riot police fanned out through the streets, controlling the crowds with nightsticks, tear gas and volleys of bird shot. Several people were hurt, none of them seriously. As the government digested the latest threat to its authority, concern was growing in Washington that one of the closest U.S. allies in the hemisphere was headed for a long period of instability.

Though the anti-Noriega crowds have at times seemed impressive in a country of only 2.2 million people, neither the opposition nor the government is unified. One government rift became apparent last week, when Vice President Roderick Esquivel called upon President Eric Arturo Delvalle to form a commission to look into allegations that have implicated Noriega in murder, drug trafficking and election fraud. Es-

A study in white, the opposition color: demonstrators in Panama City call on the military强人 to resign





Striking back: club-wielding riot police corner a group of antigovernment marchers

Quivel's maneuver was a rebuke to the civilian President, who a few days earlier had publicly told his Attorney General to investigate the charges. Opposition forces objected that the Attorney General was under Noriega's influence. By siding with the opposition, Esquivel publicized a split within the governing ranks wide enough to drive several truckloads of protesters through.

The man around whom all the controversy swirled remained unflustered. Noriega, 49, shows no signs of being intimidated by the outcries against his rule, either from his fellow citizens or from the increasingly hostile Reagan Administration. The U.S. first began distancing itself from the Panama government after a 1984 presidential election that prompted widespread charges of ballot fraud. The process continued two years later, when a

New York *Times* investigative report alleged that Noriega was involved in smuggling drugs and weapons, laundering money and supplying U.S. intelligence secrets to Cuba. During the past year, officials in Washington have repeatedly called for Panamanian "democracy," a diplomatic code word for Noriega's ouster. During a meeting last week with a Panamanian emissary, Assistant Secretary of State Elliott Abrams again sounded the theme, calling for a series of steps that would lead "to a fully functioning democracy."

In many ways, the story seems a familiar one: amid mounting evidence of civil abuses, excessive patronage and corruption, a U.S.-backed dictator is faced with increasing domestic unrest and demands for his resignation. Washington then steps in, urging the despised

Red, white and blue: flag-waving allies of the commander defiantly shout their support



WILLIAM GROGAN

leader to go quietly into the night. The dictator battles on until defeat is unavoidable, then flees in search of asylum or, in the recent case of South Korea, finally gives in to opposition demands for reform. The basic scenario has been played out, with variations, in Iran, Nicaragua, the Philippines and Haiti. It may be a while, however, before it turns out that way in Panama. U.S. State Department officials admit with regret that Noriega stands at least an even chance of hanging on.

The general's greatest asset is his position as head of Panama's 12,000-strong Defense Force. Since he became commander in chief in 1983, Noriega has craftily surrounded himself with cronies who share a stake in his continued rule. Sullen and sarcastic, the general enjoys almost unwavering loyalty from his officers. Thus far, there is no sign that the military hierarchy is prepared to turn against him. Just as important, on the civilian side no political leader has emerged to present an obvious alternative to Noriega's rule.

Noriega also juggles several seemingly antagonistic goals. He has courted American goodwill, particularly at times when U.S.-Panamanian relations are souring. Predictably, a high-level envoy was dispatched to Washington last week to soothe bad feelings following attacks by government-sponsored mobs on the U.S. embassy in Panama City. Simultaneously, Noriega has resorted to a tactic he has used before when under attack: fanning anti-American sentiment in Panama. In response to the recent charges of criminal activity, Noriega retorted that the allegations were designed to allow the U.S. to wrangle on a 1977 treaty that in the year 2000 would give Panama the important U.S.-built canal that bisects the country. He has also charged the U.S. with interference in Panamanian affairs, playing not only to leftist audiences at home but to Cuba and Nicaragua as well. Panama's ambitions to be a major player in the region require that it maintain good relations with regimes of all political stripes.

Noriega has also shrewdly maintained cordial ties with the U.S. intelligence community based in Panama. An ingratiating host, he has allowed U.S. operations to proceed virtually unfettered. Some 10,000 military personnel are attached to the Panama-based U.S. Southern Command, Washington's military headquarters and prime listening post for Latin America. From SOUTHCOM, the U.S. can dispatch spy planes to overfly Nicaragua, monitor sensitive communications and military movements in the region and ensure the canal's smooth operation. As Panama's former intelligence chief, Noriega has also worked intimately with the Central Intelligence Agency. Says a State Department official: "The general figures his work with the agency is his insurance."

World

Noriega has not made many miscalculations during his career. The son of poor parents, he studied medicine for a year at Panama University. When he won a scholarship for studies at a military academy in Peru, he changed paths quickly. Upon graduation in 1962, the youth signed on with the Panama National Guard as a first lieutenant. He supported the 1968 coup that brought General Omar Torrijos to power. In 1970, after helping to quash a coup attempt against Torrijos, Noriega was made the head of Panama's intelligence services.

Over the next 13 years as intelligence chief, Noriega acquired a host of enemies and earned the unaffectionate nickname "Pineapple Face" after his acne-scarred complexion. Not least on his enemies' list is Colonel Roberto Diaz Herrera, 49, a Torrijos cousin whose own professional climb was blocked by Noriega's rapid promotion. Upon his forced retirement last month as second in command of the Defense Forces, Diaz summoned reporters to his home and charged Noriega with several crimes, including helping to arrange the 1981 plane crash in which Torrijos was killed. Last week Diaz deflected several summonses to appear at the Attorney General's office and lodged formal charges against Noriega.

While it is uncertain that Diaz's charges will get a fair hearing, his allegations have already received some unexpected backing. Shortly after Diaz spoke out against Noriega, former Presi-



Diaz making his charges against the de facto leader
Allegations of involvement in murder, drugs and fraud.

dent Nicolás Ardito Barletta publicly charged that Noriega had forced him from office in 1985. Barletta claimed his ouster had been engineered by Noriega after Barletta had pressed for an investigation into the killing of Dr. Hugo Spadafora, a leading critic of the Panamanian military. Diaz has gone further, charging Noriega with masterminding Spadafora's murder.

The public accusations have lent weight to long-circulating rumors. Evidence of extortion, secret arms sales and drug trafficking remains largely circumstantial, encouraged by Noriega's three spacious houses, his art collection and his frequent holidays in France, all of which he enjoys on a military salary.

With Panama in turmoil and U.S.-Panamanian relations at their lowest ebb

since the rancorous canal negotiations, the outcome is anything but certain. A Philippines-style ending, with Noriega slinking into premature retirement, seems unlikely at this point. The U.S. has far less leverage over the general than it did over Ferdinand Marcos, since Panama receives significantly less U.S. aid and its service-based economy is in relatively healthy condition, although some nervous bankers have recently withdrawn funds. Panama's opposition is largely fragmented and directionless, unlike its counterpart in South Korea.

Noriega's continued rule troubles the Reagan Administration for two reasons. First, the White House justifies its support for the *contra* rebels primarily by pointing to Nicaragua's lack of democracy. Administration credibility would suffer if the U.S. appeared to be too cozy with dictators. Second, Noriega's attempts to whip up anti-American sentiment and to court countries hostile to the U.S. raise worries about the Panama Canal's future. "Can you imagine what it would be like to have the canal in the hands of a Lebanon-like country?" asks a U.S. official. Whatever pressure the U.S. decides to bring, one thing is evident: Says Gabriel Lewis Galindo, a former Panamanian diplomat who heads the opposition's lobbying effort in Washington: "There will be no peace in Panama as long as Noriega is in power."

*By Bill Smolow,
Reported by Ricardo Chavira/Washington and
John Moody/Panama City*

Noriega: "You Have to Live Here to Understand"

On the eve of last Friday's demonstration against his rule, General Manuel Antonio Noriega sat down to respond in writing to questions submitted by TIME Correspondent John Moody. It was the first interview he had granted to a U.S. news organization since the recent outbreak of unrest. Excerpts:

On the charges leveled against him by Colonel Roberto Diaz Herrera. There are problems in which each man is the creator of his own tribulations. We public figures are exposed to all kinds of slander. In this case, everyone knows that this former colleague suffers from mental disturbances that have been exploited by some. We all feel sorry for him.

On whether the Attorney General will be able to investigate Noriega fully. If it were not for Latin American strongmen...civil or military, we would be speaking English from the Rio Grande to Patagonia. We have been investigated like all Latin American public figures by the agencies of the most powerful country in the world, and there has not been a shred of evidence against us. If there had been any, I would not be here. Therefore the Attorney General can call anyone he wants to present evidence.

On concerns that U.S.-Panama relations are at their lowest ebb ever. This is not true. In 1964, we broke relations with

the U.S. As far as I know, President Delvalle's government has no intention of doing that. What is true is that no Panamanian accepts external interference in his own affairs and that the 1977 canal treaty has to be implemented. We also believe the American people will not support military intervention that certain people in Washington are seeking.

On whether the U.S. is trying to influence Panama's relationship with Nicaragua. The facts speak for themselves. Journalists who seek the truth will find out sooner or later, and we trust in honest journalism.

On the future of U.S. bases in Panama. This is the central issue of the problem, but the answer is not mine to give. This decision belongs exclusively to the Panamanian people.

On anti-American protests in Panama. Anytime that a country as powerful as the United States attacks a small country like Panama, it receives a rebuff not only from Latin American people but also from Americans with good sense. We are a real democracy. Our parliament is composed of blacks, Indians, whites and mixed races. This is Panama. You have to live here to understand it and not to slander it.

**EXPERIENCE
THE EUROPEAN
SPORTS SEDAN
IN ITS HIGHEST
STATE OF
EVOLUTION.**





39% MORE EXHILARATION.

The new BMW 325i offers a 39% boost in horsepower over its predecessor, making it one of the few sports sedans that won't suffer a dramatic loss of "sport" the moment you press the accelerator.

It provides, rather, in the congenial confines of a four-door luxury sports sedan, 168-horsepower of 6-cylinder fuel-injected power.

A street rocket, in plain terms. And an explosive alternative to those legions of sports sedans that were bred in boardrooms, not racecourses.

But the true character of such a highly-evolved machine doesn't reveal itself simply in the single dimension of power, but rather, in the three-dimensional experience known as "feel." A refinement of detail that makes driving a BMW 325i different from driving any other sports sedan.

It is a refinement in handling, with a suspension that comprises a veritable checklist of some of the most innovative components in existence, including twin-tube gas-pressure shocks as well

as the largest anti-roll bars ever mounted on a 3-Series BMW.

It's a refinement in luxury, with ergonomically-perfected leather seats and rear headrests.

And a refinement in technology, with anti-lock brakes and an ingenious onboard computer.

IT ALSO PERFORMS EXCELLENTLY IN YOUR INVESTMENT PORTFOLIO.

As standard-bearer of the European sports sedan tradition, the BMW 325i is also a superior investment.

It is projected to hold its residual value better than 9 out of 10 cars on the road.* A resistance to depreciation that makes purchasing a 325i not merely an exhilarating move, but a prudently rewarding one too.

Your local authorized BMW dealer will be happy to arrange a thorough test drive of the 325i for you.

A car which to us, of course, is evolutionary. But to those accustomed to other sports sedans, highly revolutionary.

THE ULTIMATE DRIVING MACHINE.



World

SOUTH KOREA

The Struggle Gains Its Martyr

A student protester dies, igniting new clashes with police

My sincerest wish is for Lee Han Yol to become the last person to die violently for the cause of democracy in our country," So said Opposition Leader Kim Young Sam last week following the death of the Yonsei University sophomore in Seoul. Lee, 20, had remained in a coma for 27 days after he was struck in the head by a pepper-gas canister during the demonstrations that jolted South Korea for three weeks last month. As the sole death among the tens of thousands of protesters who took to the street, Lee became an instant martyr to the revolt, which had forced promises of sweeping democratic reforms from President Chun Doo Hwan. Lee's funeral prompted a new round of clashes between students and police—a confrontation that was viewed by most as a final convulsion before the reforms take place, but nonetheless provided a reminder of the country's continuing potential for unrest.

Lee's death forced a halt in negotiations over constitutional reforms, as both Kim Young Sam and Kim Dae Jung, the other primary opposition leader, observed a four-day period of mourning. But the government continued to relax its authoritarian grip on South Korean life. Chun granted formal amnesty to 2,335 South Koreans, including Kim Dae Jung, who had been banned from politics. Another group of 357 people jailed for politically related offenses was released; among them was the Rev. Moon Ik Kwan, one of the country's most prominent dissidents before he was found guilty of sedition following student protests last year in the city of Inchon, near Seoul. More prisoners are expected to be freed in the near future, though the government and opposition disagree on the exact number of offenders who are behind bars for strictly political reasons.

Chun also surprised his countrymen by relinquishing his position as president of the ruling Democratic Justice Party more than six months before he is scheduled to leave office. Speaking to a routine session of party members, Chun announced that he was stepping down from his party post so he could devote full time to affairs of state, including the 1988 Summer Olympic Games, which are scheduled to take place in Seoul. He also wanted to make himself look less partisan. Said Chun: "We are winding up one era in Korea's political history and making preparations for another." It is the first time a South Korean President has resigned his party post since the country became a republic in 1948.

The new party leader is all but certain to be Roh Tae Woo, Chun's classmate at South Korea's military academy (class of 1955), political protégé and handpicked

candidate for President in national elections to be held late this year. It was Roh who had electrified the nation two weeks ago by recommending the program of democratic reforms, including the direct election of the next President, that was later endorsed by Chun. The President paid tribute to Roh "for having made the courageous decision that has given all our citizens a refreshing jolt and has greatly enhanced their pride."

The ruling-party candidate can use all the endorsements he can find. A virtual shoo-in under the old system, he will now

poles, youths bearing red-black-and-yellow banners, and a group of funeral dancers, who gracefully spun to the sounds of drums and cymbals. After reaching the city hall, the crowd sang patriotic songs, and a hearse departed for Kwangju, Lee's hometown 200 miles away.

Many of the mourners soon dispersed, but some 40,000 continued to occupy the city hall plaza. Then, goaded by a far-left student faction, the crowd began marching up Taepyongno Street in the direction of the Blue House, the official residence of South Korea's President. The route was blocked off by riot police, who until then had remained out of sight. Within minutes the confrontation erupted into full-scale combat that lasted about two hours. Police fired pepper gas from five "black elephants,"



Soiern procession: a hearse, carrying Lee's casket, and mourners leave Yonsei University. A final convulsion before the reforms, but also a reminder of potential unrest.

almost certainly be challenged at the polls by Kim Young Sam. Meanwhile, Kim Dae Jung announced last week that he is reconsidering an earlier pledge not to seek the presidency in this year's election. While such an about-face runs the danger of splitting the opposition, Kim Dae Jung is no newcomer to the campaign trail. When he ran for President in 1971 he won 46% of the vote.

Lee's funeral, which included half a dozen speakers and prayers offered by Buddhist and Christian clergymen, began solemnly on Thursday morning inside Yonsei's leafy campus in western Seoul. At the end of the service, pallbearers hoisted the victim's coffin, draped in a South Korean flag, and carried it on their shoulders in a mass procession leading to the city hall.

Some 100,000 joined in the two-mile march, including phalanxes of students carrying pictures of Lee on forests of

truck-mounted guns that spew out canisters at machine-gun speed. The protesters attacked police by hurling stones and tossing fire bombs.

Disturbances also broke out in Kwangju, but the most touchingly confrontation there involved not protesters but Lee's mourners. The victim's family had planned to bury him in a family plot in the city's main cemetery. His fellow students, however, insisted that he should be interred at another part of the cemetery, near the graves of many of the 180 people who had been killed in the bloody Kwangju riots in 1980. Although Lee's mother and sister struggled hysterically with student marshals, the youths eventually prevailed. The lone victim from this year's street struggles was buried among the cluster of graves that commemorate a tragic struggle of the past. —By William R. Doerner, Reported by S. Chang and Barry Hillebrand/Seoul

World



The power plant today, 14 months after an explosion and fire destroyed the No. 4 reactor, killing 31 people and spewing radiation across Europe

DISASTERS

Judgment at Chernobyl

Six defendants go on trial for causing a nuclear catastrophe

Camera shutters clicked and high-intensity television lights flooded a makeshift courtroom last week in Chernobyl, the Ukrainian town whose name has been forever emblazoned in the pantheon of nuclear disaster. In the blinding glare, dozens of photographers zeroed in on six haggard-looking men seated in the defendants' box. Thus began the trial of the once obscure former plant officials and technicians charged with primary responsibility for history's worst nuclear accident. The April 26, 1986, mishap, in which the No. 4 reactor at the Chernobyl power station exploded and burned out of control, killed 31 people, forced 135,000 to be evacuated and spewed poisonous radiation across Europe and much of the rest of the world.

Moscow has been at pains to make the trial a showcase for Soviet Leader Mikhail Gorbachev's policy of *glasnost* (openness). Though Chernobyl has been virtually deserted since the accident at the power plant eleven miles away, the town has recently buzzed with new life. Workers swarmed over the squat yellow-and-white Dom Kultury, or Culture House, and converted its auditorium into a 162-seat courtroom. Briefcase-bearing lawyers and expert witnesses appeared last week on tree-lined streets that had

lately been occupied mainly by soldiers armed with decontamination gear. A dozen foreign journalists traveled from Kiev in a police-escorted tourist bus for the four-hour opening session and were given front-row seats. At the building's entrance, white-suited technicians checked everyone for radiation contamination. Noted one official: "There is a logic in holding the trial here at the scene of the crime as it were."

While it may be rich in symbolism,

the trial is also a hardheaded exercise in damage control. By blaming relatively low-level technicians for the disaster, Gorbachev hopes to deflect responsibility once and for all from the top Soviet leadership and the country's beleaguered nuclear power agenda. The program continues to roll ahead, with about a dozen new plants under construction. The court proceedings, moreover, are not completely open. Under ground rules set by Moscow, foreign reporters may cover only the first and last sessions of what is expected to be a three-week trial that will hear more than 50 witnesses. So far, 67 plant workers have been fired or demoted since the Chernobyl accident, and 27 of those have been expelled from the Communist Party.

Western observers had a close look at Soviet justice on its best behavior as the case got under way. One by one, the defendants gave their names, ages and work histories in reply to questions put by Supreme Court Judge Raimond Brize, chairman of the three-judge panel that is hearing the case. Brize paused solemnly between each answer, as though hearing the information for the first time. When the judge asked if anyone in the jammed gallery had witnessed the disaster, a man rose to say that he was scheduled to testify this



Checking for contamination at the generating station

week. Brize politely asked him to leave, presumably to avoid his hearing something that might prejudice his testimony.

The court then got down to business. For three hours a clerk spelled out the charges in daunting detail. They told of systematic safety violations, inept supervision and deliberate departures from plant operating rules in an effort to coax more electricity from the nuclear-fired generators. One account accused the defendants of failing to notify those living near the plant of high radiation until 36 hours after the accident. Murmurs rippled through the audience when the document charged Anatoly Dyatlov, 57, deputy chief engineer at the time of the accident, with sending four workers to check the reactor hours after the disaster without warning them of the danger or providing them with protective clothing. The four later died of radiation poisoning.

If convicted of the minutely itemized charges, as seems almost certain under the tightly controlled Soviet legal system, five of the defendants face sentences of up to ten years in prison. They include Dyatlov, former Plant Director Viktor Bryukhanov, 51, and former Chief Engineer Nikolai Fomin, 50. The three men have already been stripped of Communist Party membership and have spent the past year in a Kiev jail, awaiting trial. Wearing plain dark suits and shirts open at the collar, all three looked gaunt and weary.

Moscow allowed the remaining defendants to continue to work at the plant, but they were demoted and required to notify authorities regularly of their whereabouts. Included among them are Alexander Kovalenko, 45, who supervised the No. 4 reactor, and Boris Rogozhkin, 52, the boss of the midnight-to-8 a.m. shift (the fatal explosions occurred at 1:25 a.m.). Both could receive ten-year sentences. The sixth defendant, Government Inspector Yuri Laushkin, 50, faces up to two years in prison for failing to carry out his responsibilities.

When asked whether they understood the case against them, the men admitted some guilt but denied outright responsibility for the accident. Several blamed faulty equipment or design errors. Shielding his eyes from the TV lights, Bryukhanov conceded that he had been partially negligent. He insisted, however, that he was not guilty of safety violations. Dyatlov provided the most emotional moment. Grabbing a microphone and holding it close, he denied in a firm voice that he was directly to blame for the death of any plant workers. Then Dyatlov added, "With so many human deaths, I cannot say I am completely innocent."

Despite *glasnost*, the Soviet public had only a limited view of the proceedings. Official press accounts stressed that the investigative report blamed flagrant breaches of safety rules for the accident. The nightly television news



Three of the accused: Bryukhanov, Dyatlov and Fomin hear the charges against them

program *Vremya* (Time) showed a few minutes of the opening day without mentioning that the defendants had denied some of the accusations. Subsequent sessions were not reported at all.

Outside the courtroom, the surrounding Ukrainian countryside remained desolate 14 months after the Chernobyl accident. Farms were devoid of livestock, gardens were untended, and weeds grew above the windowsills of abandoned houses. The town of Pripyat, once home to some 50,000 workers, may never be resettled. Nearby, 27 villages are still so heavily contaminated that workers have abandoned cleanup efforts. Signs warned against driving on road shoulders, which could stir up radioactive dust, and army trucks made up most of the traffic on two-lane roads

that once were thoroughfares to markets.

Little by little, though, the Soviets have been making progress. Two hamlets just beyond the 18-mile security zone were recently reoccupied, and families have started moving back to 16 other villages. The town of Chernobyl itself has been declared largely decontaminated. Thousands of cleanup workers reside in a temporary settlement optimistically named Zeleny Mys (Green Cape).

Elsewhere in Europe, the nuclear catastrophe seemed to have faded from memory. French shoppers who once used Geiger counters to help them select produce during the height of the radiation scare now buy fruits and vegetables without concern. In West Germany, though, 20 institutes and eight community groups continue to monitor samples of suspected foods. Checks recently found excessive radiation in certain chocolates, dried mushrooms and beef.

In Eastern Europe, which suffered some of the heaviest fallout, the public paid close attention to the trial. Newspapers and television programs carried reports of the proceedings. The accident has even stirred up several nascent environmental movements. In Poland, for instance, an outlawed group called Freedom and Peace opposes construction of a nuclear power plant, the country's first, near Gdansk. Movement leaders have seen the future 400 miles across the Soviet border in Chernobyl, and they are convinced it will not work. The trial at Dom Kulturi is unlikely to reassure them.

—By John Greenwald

Reported by Ken Olsen/Chernobyl, with other bureaus



Relocated villagers relax in safety outside their new homes

World

SYRIA

Opening the Road to Damascus

Assad, ever the survivor, seems to soften his hard-line stance

For centuries the route to Damascus has posed a challenge to travelers. The Syrian capital is walled away from the West and from the Mediterranean by the double massif of the Lebanon and Anti-Lebanon ranges, rising to 10,000 ft. In other directions, the city is surrounded by the Badiya as-Sham, the great Syrian Desert, where, for seven months of the year, the relentless sun becomes a blinding enemy. But while the physical obstacles to Damascus remain, other barriers appear to be falling. Its economy in tatters, its army mired in Lebanon and its alignment with Iran a growing burden, Syria appears increasingly receptive to overtures from the West, especially from the U.S.

Flying into Damascus last week without fanfare or press conference, Vernon Walters, the U.S. Ambassador to the United Nations, held what he called "very useful, very fruitful, very cordial" meetings with Syrian President Hafez Assad. It was a remarkable if discreet achievement after years of deep enmity between the two countries, which culminated in last year's recall of U.S. Ambassador William Eagleton after an attempt by Syrian-backed terrorists to blow up an El Al flight in Britain. Though U.S. Ambassador to Lebanon John Kelly says it is "premature to talk about rapprochement between the U.S. and Syria," Washington officials are encouraged by the tone that marked Walters' sessions with Assad.

The most encouraging sign of Syrian moderation came in early June, when Assad closed down the Damascus offices of Abu Nidal, the notorious Palestinian terrorist-for-hire. Abu Nidal, who received attention in last week's Iran-contra hearings for his threats against Lieut. Colonel Oliver North, is suspected of masterminding the Rome and Vienna airport massacres that killed 19 in December 1985. Moreover, while still railing against Israel, Syrian radio now broadcasts stinging criticisms of terrorist acts. One statement specifically condemned taking "innocents and journalists" hostage, an obvious reference to last month's kidnaping of former ABC Correspondent Charles Glass in Lebanon. Glass's abductors



The Syrian President

last week released a video recording in which the journalist confessed to being a spy for the CIA. The State Department vehemently denied that Glass had ever worked for the U.S. Government.

With 7,500 Syrian troops in West Beirut and an additional 25,000 in north and east Lebanon, Assad has been embarrassed by Glass's kidnaping. Assad's dilemma: fighting the Beirut terrorists would, in effect, mean confronting their chief patron, Iran, which Damascus supports in its protracted war with Iraq. According to Israeli sources, when Syrian Army General Ghazi Kenaan led his troops into Beirut in February, he wanted to curb the power of Hizballah, the pro-Iranian Shi'ite group based in the Lebanese capital that is believed to hold most of the 24 foreign hostages, including nine Americans. But Tehran and Hizballah's spiritual leader, Sheik Mohammed Hussein Fadlallah, intervened, and the group agreed not to take any more captives.

After Glass was seized, an enraged Kenaan confronted Fadlallah. Though the sheik denied any role in the abduction, Kenaan nonetheless threatened to invade the city's Shi'ite suburbs, where many of the hostages reportedly are kept. Assad, says one Western diplomat, "would like nothing better than to release an American hostage. He would like to create the impression that he is doing the things that would allow pressure on Syria

to be lifted a bit by the U.S. and Britain."

If Assad is to head farther down the road of moderation, he will have to loosen his country's ties to Iran. Petroleum-poor in an oil-rich region, Syria is dependent upon Iran for much of its fuel. Indeed, Damascus owes Tehran more than \$1 billion—nearly a third of its outstanding nonmilitary debt—for discounted petroleum. Tehran has also supplied Damascus with more than 26 million barrels of crude free since 1982.

Assad must balance his allegiance to Tehran with pressures from the Soviet Union, his chief financier and arms supplier. Between 1981 and 1985, Moscow provided Damascus with more than \$8 billion in weapons. Eager to play a larger role in the region, Soviet Leader Mikhail Gorbachev reminded Assad during a Moscow visit in April that billions have been wasted on war in the region "without achieving anything." Though the Soviets have written off some \$4 billion in economic loans to Damascus and rescheduled its military debt at generous terms, they have also criticized Assad for his inept handling of the economy.

Syria has cash reserves of between \$100 million and \$150 million, enough for only one week's worth of essential imports. In the capital, Syrians must regularly line up to buy gas, oil, sugar and rice. To preserve gasoline, the army is not using one-third of its tanks in training sessions. Assad has reportedly fired two ministers responsible for the economy, and is rumored to be about to remove the Minister of Agriculture, but more drastic measures will be needed to salvage the economy. "They've just plain run out of money," says a Western diplomat. "If Syria were a Western country, we'd consider it bankrupt."

A wily leader who has ruled his country with steely calculation for almost 18 years, Assad is above all a survivor; despite chronic heart disease and severe diabetes, he shows no signs of relinquishing his post. Assad may hope to keep Tehran and Moscow off balance by warming up to the West, but any alliance he forms with Washington would be entirely in his— and Syria's—self-interest. As one American diplomat put it, the relationship between Assad's Syria and the U.S. has always consisted of "peaks and valleys." Both countries apparently want to climb out of the present valley, but Assad will try to control how high the peak will be.

By Howard G. Chua-Evan.

Reported by David S. Jackson/
Cairo and Johanna McGeary/
Jerusalem



Embarrassed by a kidnaping: Syrian troops patrolling West Beirut

Confronting the friends of their Iranian friend in Lebanon's chaos

© 1991 Philip Morris Inc. 100's

TRUE New Silver Pack.



Same Rich Taste.
Same Ultra Low Tar.

SURGEON GENERAL'S WARNING: Quitting Smoking
Now Greatly Reduces Serious Risks to Your Health.

4 mg. "tar", 0.4 mg. nicotine av. per cigarette by FTC Method

World

DEFENSE

What Price Sky-High Glory?

Israel's embattled Lavi warplane points up a global dilemma

Top Israeli generals would gladly kill it, and so would Defense Minister Yitzhak Rabin. Yet rising criticism and soaring costs have so far failed to force Israel's Lavi jet fighter program off course. The time has come, however, when Jerusalem must decide whether to funnel more billions into the troubled Lavi (Hebrew for lion) or scrap a warplane that has become a symbol of national pride and a key source of jobs. The need to make that choice has triggered a vitriolic debate in which military and economic issues have frequently given way to pure emotion.

From Tokyo to Brasilia, leaders dream of building advanced aerial weaponry to swell their arsenals and boost military sales abroad. While thinking big, however, they often give little thought to the ultimate cost. India is investing up to \$4 billion to build a lightweight fighter that will become the backbone of its air force in the late 1990s. Japan is debating whether to spend up to \$10 billion on its proposed FSX fighter or buy comparable U.S. versions for as little as half the price. France continues to push ahead with its \$5.8 billion Rafale fighter even though



Troubled symbol of a nation's pride: one of two prototypes of the advanced jet fighter

Jerusalem wanted a weapon that could skim over battlefields to blast enemy targets.

"The real question," shouted Knesset Member Yosi Sarid last month, "is whether we become a state which has a fighter plane or a fighter plane which has a state." Even Rabin admits that the choice is the "most difficult and important decision faced by an Israeli government in more than a decade."

The decision seemed simple enough when the Israeli Cabinet approved the Lavi in 1980. Jerusalem had long wanted an advanced fighter that could dodge antiaircraft missiles while skimming battlefields to blast enemy targets. As then Defense Minister Ezer Weizman envisioned it, the plane was to be "small and cheap—but a bastard" in combat. Over the years, though, Weizman has become a leading opponent of the plane. Says he: "It is too costly, comes too late and at the expense of more important objectives." Today the aircraft represents the perils that a small, defense-minded country can confront when it sets out to produce a world-class warplane of its own.

German, British and Italian companies are collaborating on a similar plane.

Experts warn that such grandiose projects involve heavy risks. "Without doubt, a high-tech military industry can generate economic growth," says Stephenie Neuman, Columbia University political scientist. "But a nation must not only want to invest. It must be able to afford it as well."

As Israel's chief benefactor, Washington has become an increasingly uncomfortable hostage of the Lavi affair. While the U.S. Government gives Israel \$1.8 billion a year in military assistance—far more than to any other country—the Lavi claims an ever growing portion of that aid. Washington has so far provided most of the \$1.8 billion that Israelis have spent to develop the Lavi and build two prototypes since 1979. But that is just the beginning: development costs that were estimated at \$800 million when the project began could reach at least \$2.75 billion by the time the first of up to 150 jets rolls off

the assembly line in 1993. Meanwhile, the price tag for each plane has climbed from \$7 million to \$18 million.

In view of those overruns, Washington is pressing Israel to scrap the Lavi and buy U.S.-made fighters. Defense Secretary Caspar Weinberger has called the Lavi an "inferior plane" that would not boost Israel's military strength "in any significant way." Washington has offered generous terms to wean Israel from the Lavi project. In one proposal, the U.S. has offered to sell General Dynamics F-16s and McDonnell Douglas F-18s at favorable prices. Reagan Administration officials sweetened the deal two weeks ago when Rabin visited Washington. Among other things, the Administration agreed to accelerate delivery of up to 100 F-16Cs and suggested that Israel use U.S. aid to pay the estimated \$700 million that it will take to shut down the Lavi project.

U.S. opponents of the Lavi jet fighter have a surprising number of Israeli allies. The chiefs of all three Israeli military services have urged that the project be dropped to free funds for land and sea forces. Military planners say a combination of pilotless drones and surface-to-surface missiles would be cheaper and more effective against battlefield targets without risking the lives of pilots. Even Air Force Chief Amos Lapidot is lukewarm. Says he: "I like the Lavi, but I can live without it."

Yet the Lavi has staunch defenders. Foremost among them is the powerful Israeli Aeronautics Industry, a company that employs 20,000 workers and insists that the plane is a vital spur to Israel's high-tech industries. Some 5,000 of the firm's workers gathered outside Prime Minister Yitzhak Shamir's office two weeks ago to demand that the project continue. Their concerns appear well founded: economists at the Israeli Defense Ministry estimate that cancellation of the Lavi would put 5,000 engineers and technicians out of work immediately.

Faced with such pressure, Israeli leaders have been scrambling for a compromise. Both Shamir, who leads the right-wing Likud Party, and Foreign Minister Shimon Peres, the Labor Party chieftain, want to save the warplane. But Labor's Rabin and Likud Finance Minister Moshe Nissim lead a dogged opposition in the 25-member Cabinet. One solution calls for cutting development costs by about \$350 million a year through 1991—a scheme that Columnist Yoel Markus of the daily *Ha'aretz* newspaper labeled the "last refuge of the cowards." In recent weeks the Cabinet has tabled a vote on the Lavi from meeting to meeting, but a showdown is expected by the end of the month. If the Lavi remains completely on course after that fateful Cabinet meeting, it would deserve to be nicknamed the Phoenix.

—By John Greenwald

Reported by Ron Ben-Yishai/Jerusalem and Bruce van Voorst/Washington

UP TO
\$1500
CASH BACK.

OR 3.9%^{APR}
ON A
SUBARU.

We've just made a great deal on a Subaru better than ever. When you buy a 1987 Subaru you can choose up to \$1500 cash back* or 3.9% A.P.R. financing.**

So if getting that much cash back wasn't enough to get you into a Subaru showroom, 3.9% financing should be. Just be sure and visit your Subaru dealer before Aug. 3. After that, all you'll have are the usual reasons to buy a Subaru. Like durability, reliability, performance and quality.



SUBARU
OFFER ENDS AUGUST 3RD

*Dealer participation may affect final price. At participating dealers, you must choose from select models from dealer inventory by August 3, 1987.
**3.9% Annual Percentage Rate financing for 24 months, to qualified buyers through Marine Midland Automotive Financial Corp. on select Subaru models at participating dealers.

THE PHILIPPINES

Please Speak into the Microphone

Marcos' bizarre plans for insurrection are uncovered

As he spoke with an American businessman last May about his wish to buy weapons for a planned invasion of the Philippines, former President Ferdinand Marcos warned the man against using the telephone. The phones, said Marcos, could be tapped and used to record their conversation. The warning was ironic. Even as he spoke with Marcos, the businessman, Electronics Executive Robert Chastain, was secretly taping every word with a special voice-activated recorder built into his burgundy-colored briefcase.

That briefcase was on display last week when Chastain told the U.S. House Subcommittee on Asian and Pacific Affairs how he had posed as an arms dealer to trap Marcos into revealing his plans. He then turned the tapes over to the Philippine government, which informed the U.S. Government of the plot.

The insurrection, which missed its original June deadline and was rescheduled for last week, had all the trappings of a James Bond thriller, including hidden treasure and a scheme to kidnap Philippine President Corazon Aquino. If actually carried out, an invasion could also have been bloody. Marcos, who was deposed in a People Power rebellion in February 1986, planned to buy \$18 million worth of Stinger missiles, M-16 rifles, tanks, grenade launchers and enough ammunition to equip 10,000 soldiers for three months.

Although Marcos' designs sounded improbable, the Reagan Administration took them seriously. Early last week State Department Legal Adviser Abraham Sofaer and Gregory Walden, a Deputy Asso-

ciate Attorney General, traveled to Honolulu, where the deposed leader has been living in exile. They informed Marcos that he cannot leave the island of Oahu, and gave him a personal letter from President Reagan reminding him that he is subject to American laws.

According to conversations recorded



The deposed President consulting with Hirschfeld
Billions in bullion and an aborted trip to Tonga.

by Chastain and an associate, Virginia Lawyer Richard Hirschfeld. Marcos planned to invade the Philippines with arms obtained on credit backed by \$500 million in Swiss bank accounts and 1,000 tons of gold bullion, worth \$14 billion, hidden in various locations in the Philippines. According to Marcos' plan, he was to go first to Tonga, an independent South Pacific island where he supposedly had allies. From there, he was to land by boat in his home province of Ilocos Norte.

where he expected to be greeted by supporters and swept back into power. As for Aquino, Marcos said he would like to take her hostage, "not to hurt her [but] forcibly take her without killing her."

The bizarre revelations were made by an equally unlikely pair. Lawyer Hirschfeld has had intermittent legal skirmishes with the Securities and Exchange Commission. Chastain has been vaguely described as a business associate of Hirschfeld's. Last fall, in his search for financial backing, Marcos apparently sought out Hirschfeld because of the attorney's relationship with Mohammed al-Fassi, a client and wealthy Saudi businessman. Marcos wanted al-Fassi to loan him \$18 million for weapons purchases. The loan would be secured by Marcos' hidden gold and a lien on his Swiss bank account.

After the invasion plans became clear, Hirschfeld introduced Chastain to Marcos, telling the deposed ruler that Chastain was an arms dealer and secretly arranged to tape their conversations. Before the recordings were made, however, the duo tried unsuccessfully to get the Justice Department involved. Hirschfeld and Chastain then proceeded on their own, meeting with Marcos in late May to discuss weapons purchases. On June 4 Hirschfeld gave the Aquino government the tapes. About a week later Philippine authorities passed them on to the U.S.

In Manila, few believed the plot was a serious threat to national stability. Nonetheless, President Aquino expressed relief that the U.S. had further restricted Marcos' travel. For his part, Marcos last week denied the foiled plans, calling the charges "incredible." But the conversations on the tape told a different tale.

—By Susan Tiffet.

Reported by Ricardo Chavira/Washington and Nelly Sindayen/Manila

INDIA

Hell on Wheels

Radical Sikhs kill 72 travelers

Bus Driver Hari Singh pulled his crowded vehicle out of the Punjab capital of Chandigarh shortly after nightfall for what was to have been a routine trip to Rishikesh, a Hindu pilgrimage center in Uttar Pradesh. But half an hour into the journey, a white Fiat suddenly stopped in front of the bus, forming a blockade. Five armed men, four of them turbaned in the manner of Sikhs, burst out of the car, threw Singh off the bus and commanded his vehicle. After driving the bus to a nearby field, the gunmen opened fire, instantly killing 38 men, women and children and wounding 20 more, two of whom also died.

Less than 24 hours later, in the neighboring state of Haryana, Sikh militants

stopped a bus on a bridge near the town of Fatehabad, about 120 miles southwest of Chandigarh, and opened fire, killing 28 of the 45 people on board. Shortly afterward, the terrorists shot at another bus, killing four more people.

The grisly attacks, which left a total of 72 dead, were India's worst acts of political violence since Sikh extremists launched a movement five years ago to



Punjab state police inspect a fatal bus

gain an independent homeland in Punjab, which has a Sikh majority. The assaults are believed to have been carried out by the Khalistan Commando Force, a militant Sikh organization.

The massacres touched off a spate of Hindu violence that left at least ten people dead and many others injured. A general strike organized by the Hindu nationalist Bharatiya Janata Party and other opposition parties effectively shut down New Delhi and about 25 other cities. In a written statement, the B.J.P. denounced Gandhi's government for what it described as a hollow promise to control terrorism.

The charge has a particular sting for Gandhi, who took direct responsibility for Punjab on May 11, after dismissing the moderate Sikh government there because of its failure to maintain order. Despite last week's events, however, the Prime Minister says he is still reluctant to use military force to curb terrorism in Punjab.

World Notes



Australia: Hawke lines up a third term



Argentina: tears for Perón



Haiti: anti-Namphy protesters at the National Palace

HAITI

Silence Greets The Branches

A nationwide strike ended last week, but Haitians continued to demonstrate against the government of Lieut. General Henri Namphy. Protesters marched on the National Palace, waving branches symbolizing the "uprooting" of the regime. Four days later 10,000 snaked through Port-au-Prince chanting "Namphy go!"

The crisis began last month, when the government, defying Haiti's three-month-old constitution, took control of the electoral process. Although Namphy reversed his action, the response did not quell public furor. The general has only made matters worse by retreating into silence. Says a Haitian historian: "Unless Namphy comes to his senses and opens a dialogue, there could be a bloodbath." Now it is up to Namphy to decide whether he will lead Haitians to the polls—or to civil war.

THE GULF

Muscle Flexing, Bombs Away

The conflict in the Persian Gulf is sometimes called the tanker war, and last week's skirmishes showed why. In a nighttime raid, Iraqi warplanes bombed several Iranian

tankers near Kharg Island. A day later an Iranian gunboat hurled nearly a score of rocket-propelled grenades at a U.S.-operated Liberian tanker off the Kuwaiti coast; no casualties were reported. The attacks followed a bout of muscle flexing between the U.S. and Iran. Soon after Iran tested a Chinese-made Silkworm missile at the Strait of Hormuz, the U.S. Navy held its own drill, launching planes from a carrier in the Gulf of Oman.

A bit of sparring also occurred in Washington, where the House of Representatives voted to delay by 90 days the Reagan Administration's plan to register eleven Kuwaiti tankers under the U.S. flag and provide them with a naval escort. The measure, however, was largely symbolic, because even if the Senate had followed suit, a presidential veto would probably have ensued. The reflagged tankers are scheduled to begin operating in the Persian Gulf next week.

AUSTRALIA

Can't Stop Loving Him

Australians had a choice last week between a tax cut and a Prime Minister with all the earthy charm of Actor Paul Hogan in the hit film *Crocodile Dundee*. The good ole boy won. By an estimated 20-seat margin, voters returned Prime Minister Bob Hawke's Labor

Party to power for a record third straight term.

John Howard, 48, leader of the opposition Liberal Party, had wooed the electorate by vowing to cut the top tax rate from 49% to 38%. Hawke, 57, called for continued "economic responsibility" to allow him to complete the job of modernizing the nation's industry. Hawke's companionable battle cry: "Let's see it through together."

ARGENTINA

Case of the Severed Hands

They had to pick the twelve triple-combination locks that secured the coffin, but somehow the grave robbers at Buenos Aires' Chacarita Cemetery managed the task. Their take: a ceremonial saber and the hands of Juan Perón, who was perhaps Argentina's most revered President. After the break-in was discovered two weeks ago on the 13th anniversary of Perón's death, a group called "Hermes 1A1 and the 13" claimed responsibility for the theft and demanded \$8 million in return for the severed parts. If the ransom was not met by this week, the group threatened, Perón's hands would be pulverized.

The case of the missing hands has stirred up political turmoil in Argentina. More than 50,000 members of the populist dictator's Peronist Party and its trade union ally, the

General Confederation of Labor, attended a Mass of mourning last week. Distracted Peronists cried in one another's arms. Some held up posters that read YOUR HANDS ARE THE HANDS OF THE PEOPLE. The government of President Raúl Alfonsín, which only two months ago survived a military uprising, blamed "rightist" elements bent on destabilizing the country's young democracy for the theft.

POPULATION

Baby No. 5 Billion

Matej Gaspar, born last week in Zagreb, Yugoslavia, officially became the world's 5 billionth human. The baby boy received that designation rather arbitrarily. No one knows for sure when the earth's population, which hit 4 billion in 1974, actually topped the 5 billion mark, though demographers suspect it happened in July. Zagreb was picked as the location by the United Nations Fund for Population Activities largely because U.N. Secretary-General Javier Pérez de Cuellar happened to be in that city when the chosen day rolled around. In a speech marking the occasion, Pérez de Cuellar drew attention to the fact that 90% of this year's 120 million births will occur in countries where food, health services and education are inadequate.

Economy & Business



A picture taken by a passenger aboard a Continental 747 last week about ten seconds before it nearly collided with a Delta L-1011. KENNETH MAC CALLUM

High Anxiety and Rage

Air passengers fume about lapses in safety and service

Gazing out of her window as she rode a jumbo jet from London to Newark last Wednesday, Passenger Candi Meacham was enjoying the clear blue Atlantic vista when her reverie was rudely shattered. Suddenly what had at first seemed to be just a speck in the sky became another airliner that was streaking right toward her Continental Airlines 747. "I knew it was going to hit us," the Jacksonville homemaker recalled with a shudder.

The oncoming L-1011, which had strayed 60 miles off its London-to-Cincinnati flight path, was traveling at the same altitude as the 747 and closing quickly. At the last moment it appeared to dive and passed only about 100 ft. beneath the 747. Meacham and other passengers could easily make out the DELTA lettering as the airliner rushed by at more than 500 m.p.h.

After the near collision, the shaken pilots talked by radio about what had happened—a conversation that was recorded by a nearby Air Force jet. The tape revealed that the pilots had discussed



This flyer's jet almost landed in the Pacific

the possibility of not notifying aviation authorities about the incident. One pilot reportedly said, "Nobody knows about it except us, you idiots!" But the pilots ultimately decided that they had to notify authorities of the mishap. Meanwhile, a crew member moved discreetly around the Continental cabin, seeking to soothe passengers who had noticed the near disaster. "He told me they were aware of it in the cockpit," said Meacham, "but asked that I keep it their little secret" to avoid upsetting other passengers.

But the "little secrets" of the airline industry are out in the open and stirring unprecedented public outrage. In the increasingly overcrowded skies, snafus that threaten safety are on the rise, and everyday service is deteriorating. As more than 100 million U.S. travelers take to the air during this year's peak summer travel season, the Federal Government is recording a surging number of delayed flights, near midair collisions and air-traffic-control errors. The airlines, on the defensive as never before, are scrambling to improve conditions in

the hope of easing a growing indignation in Congress and thus heading off a wave of legislative proposals to crack down on the industry.

The past several weeks, though, have been a public relations disaster for the airlines. While no deaths have occurred on a major U.S. carrier in the past 22 months, frightening incidents seem to abound. Consider:

► Just a day after last Wednesday's near disaster over the North Atlantic, a Pan American jet and a Venezuelan airliner came within 300 ft. of each other as they flew near Bermuda. An air-traffic controller apparently put the two planes at the same altitude—about 39,000 ft.—by mistake.

► A Delta 737, whose pilots had been thrown off course by thunderstorms, landed at the wrong airport in Kentucky. The pilots set down smoothly at Frankfort's airport, but they thought they were landing at Lexington, where the runways have a similar layout. The event occurred just after midnight, a time when neither airport's control tower is manned.

► A Delta 767 taking off from Los Angeles on June 30 suddenly lost power in both engines at about 1,700 ft. when one of the pilots inadvertently bumped two fuel cutoff switches while in the process of reaching for an adjacent engine control switch. Passengers donned their life jackets and prepared for an emergency landing in the Pacific as the jet glided to within 600 ft. of the waves. At the last moment, the crew managed to restart the engines and resume the trip to Cincinnati, but the pilots were suspended on arrival. The Federal Aviation Administration immediately ordered the installation of plastic switch-guard shields on the control panels of 767s and similarly equipped 757s to prevent a recurrence of the pilot error.

Particularly alarming for passengers from the Southeast was the occurrence of so many mishaps on Atlanta-based Delta, which has long been one of the most highly regarded carriers. Wags at other airlines in the hotly competitive industry promptly dubbed Delta the "Glider Airline." A spokesman for the company called the episodes an "incredible coincidence of bad luck," and experts seemed to agree. Delta will have to work hard, however, to restore confidence.

So, in fact, will the entire industry. Reports of near midair collisions in the U.S. jumped to 840 in 1986, from 758 the previous year. Potentially serious errors by air-traffic controllers rose to 141 in June, up 50% from the same month in 1986. "I pray a lot," says Valerie Jones of Basking Ridge, N.J., a passenger last week on a Bermuda-to-Newark flight. "You just can't take anything for granted anymore."

At the heart of the problem is overcrowding, which has put a strain on the traffic-control system and has stretched thin the airline industry's corps of experienced pilots and mechanics. While three years ago the traffic-control system rarely handled more than 100,000 flights of

commercial and private aircraft a day, the average daily volume now exceeds 140,000. Airline companies point out that the air-traffic-control centers have suffered from a manpower shortage ever since President Reagan's firing of 11,400 striking controllers in 1981. Last week the National Transportation Safety Board said it had found that limitations in the air-traffic system were the primary cause of the midair collision last August of a private Piper aircraft and an Aeroméxico DC-9 near Los Angeles in which 82 people were killed.

Sensitive to public alarm, Transportation Secretary Elizabeth Dole has sped up programs to bolster the FAA's staff and equipment. She has proposed a fiscal 1988 budget supplement of \$51.5 million to hire 955 more air-traffic personnel, including

1,500. But at least partly in response to the GAO's study, the FAA is carrying out plans to expand its staff of inspectors to more than 1,900 by September.

Less frightening than safety concerns but more frustrating are the countless delays, baggage mix-ups and other irritants that have become the bane of U.S. travelers. During the first five months of this year, consumer complaints to the Transportation Department about poor airline service reached 9,812, an 81% increase over the same period last year. The number of flight delays of 15 minutes or more at the 22 busiest U.S. airports, as compiled by the FAA, rose by 13% in the first three months of 1987 compared with the first quarter of last year. Says Nozomu Kaneda, of Kingston, N.Y., an IBM techni-



The fuel cutoff switches the Delta 767 pilot accidentally hit

The electronic engine control switches he meant to disengage

880 more controllers. That would bring the total ranks of controllers to 15,805. Meanwhile, the FAA is in the midst of a ten-year, \$16 billion project to upgrade air-traffic computers, radar and other systems so that controllers will be able to handle swarms of planes with far greater precision.

At least some of the safety worries stem from the pernicious attitude that airlines have been forced to adopt because of the low fares they have been charging. One area in which airlines may be tempted to cut back is aircraft maintenance, and several airlines—among them American, Eastern and Pan Am—have received hefty fines for violations of federal regulations. Even so, the FAA has been slow to step up its inspections in keeping with the growth of airline fleets, according to a General Accounting Office study published in May. From 1981 until 1983 the ranks of FAA inspectors actually shrank, from about 1,750

cian who flies often: "Delays occur so frequently that I feel lucky whenever one lasts less than an hour." A Government study of service by Eastern and Delta at Atlanta's Hartsfield airport showed that many of their regularly scheduled flights were delayed at least 70% of the time; a few had 100% records of lateness.

Next week Plummer Hamilton, 40, a computer consultant from New Rochelle, N.Y., is scheduled to go on trial in Cook County (Ill.) circuit court on disorderly conduct charges for allegedly using profane language to stir up passengers aboard a delayed Chicago-to-Newark flight on Continental. At the time he spoke up, passengers had spent an hour aboard the waiting plane, which suffered from faulty air conditioning. After four police officers hauled Hamilton off the plane in handcuffs, some 45 fellow passengers signed a petition calling the airline's action "unjust, outrageous and barbaric."

The airlines cite over-worked air-traffic controllers and bad weather as reasons for delays. But the carriers bear much of the blame because they routinely bunch too many flights into the most popular travel times, thus creating what might be called winglock on the runways. As one remedy, Senator Dole suspended antitrust rules in March to allow airline executives to sit down together and arrange their schedules for more realistic departure times. American Airlines, for example, has rescheduled 1,537 of its 1,600 flights and added 150 hours a day of flight time to its timetables.

U.S. Senators found occasion last week to vent their anger about the situation during confirmation hearings for T. Allan McArtor, President Reagan's nominee to be the new head of the FAA, replacing Donald Engen, who left office July 2. McArtor, 45, a senior vice president of Federal Express who flew combat missions in Viet Nam and did a stint with the Air Force's Thunderbirds precision-flying team, is expected to win easy confirmation. The Senators, however, put McArtor on notice. "You have got a crisis on your hands," declared Ernest Hollings, the South Carolina Democrat. Warned Ted Stevens, an Alaska Republican: "If it remains as fouled up for the rest of the summer as it has been in June, we will have [legislation] by September to answer it so it doesn't happen again next year." Congress is currently considering scores of separate proposals, including such measures as allocating more money for air-traffic control and airport expansion and

forcing airlines to report their on-time performance publicly.

FAA Nominee McArtor, for one, hardly needs to be convinced. "I think airline service is rather poor," he told Senators last week. "I have stood in line and have been delayed and have been denied and have been bumped and canceled and lost my bags and have been frustrated along with the rest of the passenger public."

Ironically, anxiety and irritation about air travel are rising just as the industry is entering a period of robust financial health. Passenger traffic on U.S. carriers reached a record 418 million in 1986, up from 382 million the year before. During the first half of 1987, traffic rose another 15% or so. Wall Street analysts expect the 22 major U.S. carriers to earn operating profits of as much as \$3.5 billion this year,



Traffic has boomed at hubs like St. Louis, where many TWA routes connect

By promising too many flights at popular travel times, carriers have contributed to jam-ups like this one at New York City's J.F.K.

far exceeding the previous record of \$2.4 billion in 1984. Even TWA, a perennially struggling carrier now run by Corporate Raider Carl Icahn, is expected to enjoy a banner year. "The airlines are living in the best of all possible worlds," declares John Pincavage, who follows the industry for the Paine Webber Group investment firm.

The surge in traffic reduces the need for airlines to continue engaging in price discounting, which has been the chief benefit that deregulation has brought for consumers. After years of relentless cuts, the average fare this year is expected to rise about 10%. Example: one-way New York-to-Los Angeles fares, which hit \$99 during the heaviest discounting, are now typically \$159. But bargain fares will never go away completely, experts say, because airlines are dependent on discretionary pleasure travel for 55% of their revenue, compared with only 45% when deregulation began.

Yet consumers care about more than just prices, as they are letting the airlines know. Reliable service and increased safety measures could be the airline industry's next competitive arena. Indeed, two Texas-based archrivals, Continental and American, have both endorsed proposals that airlines be required to disclose monthly statistics for on-time operations, baggage handling and other areas of performance. That might give passengers a welcome chance to find out what kind of ride they will get long before they strap on their safety belts.

—By Stephen Koep
Reported by Gisela Bolte/Washington and Thomas McCarroll/New York

THE STAFFERSEN

Economy & Business

Behind the Help-Wanted Signs

Teen unemployment totals 15.9%, yet many summer jobs go begging

Disneyland has sent "presentation teams" to Los Angeles-area schools to tout the advantages of summer jobs at the giant amusement park. The teams have plenty to offer: wages of \$4.25 an hour or more, well above the \$3.35 minimum wage; free entry to the park during non-working hours; the right to request or occasionally refuse specific shifts. And any employee who refers another gets to enter a monthly raffle for a free TV set. Even so, as of last week 200 of Disneyland's 2,000 or so summer jobs were still unfilled.

Across the continent in Hyannis, Mass., Denny's Restaurant closed before the start of what should have been its peak season. It needed at least 70 employees to serve the summer crowds flocking to Cape Cod, but was able to hire only 13. A nearby Stop & Shop Supermarket found six cashiers only by recruiting in New Bedford, Mass., 40 miles away. The store will send a van to pick up the six every morning and drive them back at night, and the company will pay the employees time and a half for their two hours of daily travel.

Similar stories abound around the country, illustrating a disturbing trend in the labor market. In the U.S. economy's fifth year of steady expansion, the coexistence of spotty labor shortages and relatively high unemployment rates (6.1% nationally in June) is no longer news. But it is not just those seeking engineers, accountants, computer systems analysts and other highly skilled workers who are having trouble finding help. Employers seeking to fill seasonal and entry-level jobs demanding no experience and little skill—dishwasher, store clerk, hotel maid, gas-station attendant, farmhand, to name just a few—are often having just as much difficulty or more.

One reason is simple: such jobs traditionally are taken by young people eager to get their first taste of the work. But because of the low birth rates of the late 1960s and early 1970s, there are a lot fewer such youths than there used to be. The number of people ages 16 to 24 dropped from 37 million in 1980 to 34 million in 1986. While the economy has grown at a 3% rate since July 1986, the number of young people in the summer labor force has stayed the same: about 26 million. Says Louis Masotti, a political scientist at Northwestern University: "What we have

is a burgeoning service economy that has walked right into the face of a declining demography."

But isn't unemployment among youths frighteningly high? It is indeed: 15.9% among teenagers generally, 33.3% for black teenagers. Unfortunately, many of the jobless youngsters are stuck in central-city ghettos. They have no way of getting to the fast-growing suburban areas where jobs in stores, hotels, fast-food restaurants and the like go begging; public transportation out to the suburbs is often nonexistent. They also do not have easy access to the resort areas, where the sum-



Trainees at a Massachusetts grocery; a Los Angeles restaurant needs workers

mer-worker crunch is particularly severe.

Better-off youngsters who live in the suburbs are equally inaccessible to many employers who are desperately trying to fill entry-level jobs, though for a different reason. Says Oscar Ornati, professor of manpower management at the New York University Graduate School of Business Administration: "Kids in Hastings-on-Hudson [a community in wealthy Westchester County, north of New York City] don't get jobs wrapping fast food. They get jobs as summer paralegals or interns at corporations."

Some employers in the West have an additional problem: the new immigration law has shut off the supply of seasonal immigrants who took many jobs that U.S. citizens shun. A shortage of migrants is hindering picking of cherries and raspberries in the Pacific Northwest and is likely to interfere with harvesting of the later apple and pear crops too. Farmers

say that inducing enough American citizens to do backbreaking field work would require wages so high that U.S. fruit and vegetable farms would not be able to compete with foreign ones.

Employers in some other industries, however, are raising pay to attract workers to formerly low-wage jobs. Ed Berry, personnel manager for an office of the Georgia department of labor serving a fast-growing area north of Atlanta, could find employees to fill only 293 of 883 retail-trade jobs during the last eleven months. "At one time in the early spring, a construction worker would take a job for \$9.50 an hour for a few days, until he could find one that paid \$11.50," Berry reports. Cape Cod restaurateurs relay tales of dishwashers in Provincetown being offered \$10 an hour. "In eastern Massachusetts, it would be one heck of a hunt to find someone working only for minimum wage," says Robert Vincent, an official of the state department of employment security.

Employers are coming up with other lures, such as flexible hours for students and working mothers and medical-benefit programs for jobs that never had them before. McDonald's and other companies are recruiting retired people for jobs usually held by youths. But the most ambitious efforts are those

that try to resolve the labor mismatch by searching in city ghettos for workers who can be brought to the available work. Universal Studios worked with two Los Angeles County high schools to select 400 mostly black and Hispanic students

and put them through six hours of "employability" classes where they were taught how to dress and behave in job interviews. It hired 209 for summer jobs at up to \$4.15 an hour serving tourists who visit the movie studios in Universal City; the new employees arrive in school buses donned by the county.

Such efforts so far are all too rare, but they are likely to expand. The pool of youths about to start their first jobs will go on shrinking into the early 1990s, and the suburbanization of the economy seems an irreversible trend. At least until the next recession, the days when employers could pick and choose among hundreds of youths lined up outside their doors seeking low-paying jobs appear to be over.

—By George J. Church.

Reported by James Willwerth/Los Angeles, with other bureaus

Economy & Business

ZZZZ Best May Be ZZZZ Worst

Scandal and bankruptcy dethrone the carpet-cleaning king

Although he hailed from California, the Mecca of high-tech entrepreneurship, he made his mark not in silicon chips or spliced genes but in the mundane business of steam cleaning carpets and draperies. Nonetheless, Barry Minkow was touted as a genuine hero of the '80s—a cocky, self-made overachiever who at age 15 started a garage-shop carpet-cleaning operation called ZZZZ Best (pronounced zee best) and within six years built it into a \$200

million empire. He was a millionaire at 18, and by the time he turned 21 last March, he was the darling of Wall Street, the toast of his hometown, Los Angeles, the subject of flattering magazine profiles and a guest on TV's *Oprah Winfrey Show*.



Barry Minkow last March, before Los Angeles police began investigating his affairs

The company took spots out of rugs and allegedly laundered cash as well.

million empire. He was a millionaire at 18, and by the time he turned 21 last March, he was the darling of Wall Street, the toast of his hometown, Los Angeles, the subject of flattering magazine profiles and a guest on TV's *Oprah Winfrey Show*.

Last week Minkow's bubble suddenly and shockingly burst. ZZZZ Best officials filed for bankruptcy protection and sued Minkow for allegedly misappropriating more than \$23 million in company funds. The Los Angeles police, meanwhile, raided Minkow's office and home, and the police chief publicly linked him with mobsters who allegedly used his business to launder millions of dollars earned through the sale of illegal drugs.

Minkow's attorney Arthur Barenz dismissed the allegations as preposterous: "Barry does not know anyone who is a coke dealer, and he knows nothing about organized crime." In an interview published in a local paper, Minkow went further, suggesting that he was being unjustly singled out because of his notoriety. Said he: "They're trying to lay it on the star."

But by week's end it was clear that the star had fallen. The surprise was particu-

larly rude in Los Angeles, where Minkow had won some influential admirers—including Mayor Tom Bradley—for his community involvement. The entrepreneur coached a local softball team, campaigned against alcohol abuse and spoke out against the use of drugs. Indeed, the charge of drug-money laundering was especially strange, since he had asked his employees to take drug tests and adopted the motto "My act is clean, how's yours?"

Minkow made himself over too. A scrawny, hyperactive youth, he became a body builder to attract girls. "I was no James Bond in high school," he told an interviewer. "I wanted the attention." He drove a bright red Ferrari, lived a bachelor's life in a million-dollar home and lolled around in a backyard swimming pool with a big black Z on the bottom.

Not that there was much opportunity for loafing around. Like many who make their fortune before they shave, he was an obsessive worker and something of an office tyrant. Former staffers recall that he insisted on being called "sir" or "Mr. Minkow," yet would habitually forget their names or call them by unflattering sobriquets. Challenged, he would reply, "My way or the highway." He once reportedly boasted that he would fire his own mother if she stepped out of line.

The problems began last May when the *Los Angeles Times* published a report alleging that in 1984 and 1985, ZZZZ Best had rung up \$72,000 in false credit-card charges. The paper also reported that the same thing happened a year later at a flower shop owned by ZZZZ Best's chief operating officer, this time for a total of \$91,000. Minkow blamed both overcharges on unscrupulous subcontractors and an employee, and repaid all the customers.

Although his explanations were riddled with troubling contradictions, it looked as if Minkow was going to come out of the controversy relatively unscathed. Then, two weeks ago, he abruptly resigned from the company he had founded, citing unspecified health problems. Four days later, ZZZZ Best's new management filed a suit charging Minkow with several multimillion-dollar deceptions, including allegations that he had withdrawn \$3 million from company accounts for his own personal use and diverted an additional \$18 million in company funds to a firm owned by an associate.

The most stunning revelations, however, were those unveiled two days later by the Los Angeles police. In a dramatic midweek press conference, Chief Daryl Gates revealed a three-month investigation that had linked ZZZZ Best to the drug-profit laundering operation. As the police tell it, ZZZZ Best was probably acting as a front for organized crime figures, who would buy equipment for the company with "dirty" money and replace their investment with "clean" cash skimmed from the proceeds of the firm's legitimate business. According to Gates, the spectacular growth in revenues that led to Minkow's fame was in fact an elaborate fiction.

Shares of ZZZZ Best stock, which had traded for more than \$18 a share three months ago, plummeted last week to less than \$1, triggering suits by flabbergasted stockholders. One investor is reported to have lost \$7 million in the debacle. But the hardest hit was Minkow. Not only had his \$100 million stock holdings shrunk to less than \$6 million, but his oft-announced dream of making ZZZZ Best the "General Motors of carpet cleaning" was irrevocably shattered. Once lionized as an emblem of what brash youth can do, he had become, almost overnight, a symbol of where overreaching ambition can lead.

—By Philip Elmer-DeWitt. Reported by Scott Brown/*Los Angeles*

Ratings Brawl

Is Nielsen losing its grip?

For as long as most U.S. homes have had television sets, the A.C. Nielsen company has provided the official figures on who was watching what. But now Nielsen's ratings supremacy is in doubt for the first time in more than 30 years. Last week CBS became the second network to say it will not renew its longstanding contract to receive Nielsen data. The CBS agreement expires at the end of August. ABC allowed its annual contract to lapse in March, and is now buying Nielsen's services month by month while the network tries to negotiate new terms. Losing ABC and CBS as customers could cost Nielsen up to \$8 million annually, or an estimated 25% of its ratings revenues.

Network confidence in the venerable firm has been shaken by recent changes in the way Nielsen gathers its information. Traditionally, the Northbrook, Ill.-based company has used two sampling methods. In one survey, electronic meters wired to television sets in 1,700 homes record which channels are tuned in and when the set is on. Meanwhile, viewers in 2,600 other homes fill out diaries on who watches various programs. Advertisers and broadcasters have long recognized failings in this system. The meters, for example, could not tell when a program played to an empty room, and diaries were difficult to keep.

Last fall CBS signed a contract with AGB Television Research, a British ratings service, as a secondary statistical source. Starting this September, AGB will offer national ratings in the U.S. based on a new technology called people meters. Because AGB's sample viewers are asked to identify themselves when they watch TV by punching digits on a specially programmed, remote channel control, some experts predict the new system will give more reliable readings than the usual methods. The threat of this new technology from AGB hastened Nielsen's decision to convert to a system of people-meter ratings by September. Nielsen has already put the new machines in 2,000 homes, and now publishes people-meter ratings as well as its usual figures.

The results have apparently disturbed the networks. People-meter ratings have turned out to be as much as 10% lower than the traditional readings. Some broadcast executives believe younger viewers record their habits more faithfully on the new meters, while older people who are not comfortable with high-tech gadgets ignore them. CBS complains that Nielsen's people-meter sample is skewed disproportionately to families with cable, who watch less network TV.

Most industry experts believe ABC and CBS could wind up renewing their Nielsen contracts if they can force the firm to improve its people-metering techniques. For the exciting climax of this story, tune in next September. ■

HELADOS BREYERS Con "B" de Bueno



Madison Avenue's Big Latin Beat

More companies are turning to Spanish-language advertising

Spanish-speaking Americans, currently 18 million strong, have long been a largely overlooked mass of consumers. But as many Hispanics grow more affluent, they are inspiring a Latin beat on Madison Avenue and a surge in Spanish-language advertising. More and more U.S. corporations are spending big money to woo Spanish speakers in their native tongue on radio, television and in print. Traditional English-language advertising agencies and a flock of bright, lively Hispanic firms are rushing to grab a piece of the business. Says Andrés Sullivan, creative director of Mendoza, Dillon y Asociados, an eight-year-old Hispanic ad agency based in Newport Beach, Calif.: "People are realizing there's a major business opportunity out there."

U.S. companies are expected to spend some \$450 million on Spanish-language advertising in 1987 to reach Hispanic consumers who have a purchasing power of about \$120 billion. This year's Spanish-advertising outlays represent a 19% jump from 1986 and a threefold increase in the past five years. Among the prominent companies that have stepped up their Hispanic-advertising budgets are Procter & Gamble, Philip Morris, McDonald's and Kraft, which, for example, has launched a major Spanish-ad campaign to promote Breyers ice cream. Advertisers have myriad media outlets to choose from, including nearly 600 full-time Spanish-language television and radio stations, hundreds of Hispanic newspapers and countless billboards and bus posters in Spanish-speaking neighborhoods.

Spanish-language advertising has a new cachet on Madison Avenue. In recent

years such prestigious firms as Young & Rubicam and JWT Group have added Hispanic divisions. And for the first time, TV and radio ads for the Hispanic market last month were given Clio awards, advertising's equivalent of the Oscars. One of this year's winners: a Pepsi spot produced by New York City-based Moir Productions that depicted a Hispanic boy, drumming on a Pepsi can, who eventually achieves his childhood dream of becoming a successful musician.

Much Hispanic advertising is created by Spanish-language specialty firms. Mendoza, Dillon, whose clients include Miller Brewing and Johnson & Johnson, last year had about \$35 million in billings, nearly double its 1982 total. Manhattan's Conill Advertising, which creates Hispanic campaigns for McDonald's and Campbell's Soup, took in \$26 million in 1986, up 18% from the previous year.

A typical Spanish-language television commercial now costs about \$90,000 to make, ten times the price of a decade ago. In creativity and sleek production values, these ads are often comparable to their English-language counterparts. A Spanish ad for Miller Lite carried on the beer's celebrated Tastes Great-Less Filling theme. But added to the cast were a gaggle of Latin celebrities, including former Boxing Champion Alexis Arguello and retired Boston Red Sox Pitcher Luis Tiant. Miller apparently believes that, in the Hispanic community at least, Tiant's pitch for beer can be as effective as any fastball he threw in Fenway Park. —By Scott Brown/Los Angeles

"Llena de sabor. Pero no llena."

Business Notes



Autos: the Chrysler plant had 811 alleged violations



Layoffs: Conable yields the hatchet



Biotechnology: Genentech loses a t-PA patent fight

AUTOS

Back-to-Back Black Eyes

After making a roaring comeback from near bankruptcy, Chrysler has long seemed invulnerable to adversity. Suddenly, though, the proud No. 3 automaker's image has suffered back-to-back black eyes. Last week the U.S. Occupational Safety and Health Administration fined Chrysler \$1.6 million for 811 alleged workplace violations at a Newark, Del., plant that produces Chrysler LeBarons, Dodge Aries and Plymouth Reliants. The penalty, the largest ever imposed by OSHA, came only twelve days after a U.S. grand jury indicted Chrysler for selling cars as new that had actually been driven—with their odometers disconnected—by employees.

The most serious of the OSHA citations involved charges that Chrysler knowingly exposed employees at the Delaware plant to dangerous levels of lead and arsenic. OSHA Assistant Secretary John Pendergrass said the conditions "put workers in jeopardy" and called the agency's action the "only possible response to a totally unacceptable situation." Though the company did not admit any wrongdoing, it will pay the fine and correct the problems. Gerald Greenwald, chairman of Chrysler Motors, the carmaking division, noted that the

Delaware facility was not typical of the company's factories. Said he: "Risk of injury or illness to our employees will not be tolerated."

LAYOFFS

Barber, Can Ya Spare a Dime?

The name World Bank conjures up an image of vast wealth on deposit. But the Washington-based international body that last year loaned out \$17.6 billion for development projects in 82 countries is watching its pennies very closely. To cut costs and increase efficiency, an estimated 390 of the bank's 6,000 jobs will be eliminated.

The hatchet wielder is the World Bank's new president, former Republican Congressman Barber Conable, who took office a year ago. Last week Conable was facing a revolt of staff members, who lodged a formal complaint with the bank's administrative tribunal, a seven-member body of distinguished jurists from around the world. "We have a lot of worried and unhappy people here at the bank," says Christopher Redfern, chairman of the World Bank Staff Association. The 75% of the employees who are from abroad are especially nervous. Reason: some of those laid off by the bank could lose their visas and have to move out of the U.S. within 30 days.

BIOTECHNOLOGY

Wrangle over Wonder Drugs

Who owns the wonder drugs that the biotechnology industry creates through genetic engineering? This is turning out to be a thorny question. As a result, firms may have trouble getting widespread patent protection for their new products. South San Francisco-based Genentech last week lost a significant legal battle when a British high court failed to uphold a patent that the company had received in Britain on t-PA, a substance that dissolves blood clots, a cause of heart attacks. Some industry experts think the British case could be a harbinger of more patent troubles for biotech firms. In the aftermath of the London ruling, the prices of biotech stocks generally fell by 5% to 10%.

DEALS

Keeping It All In the Family

For the past two months, rumors have been flying that Southland Corp. was ripe for takeover. A roster of raiders were said to be eyeing the company that operates the ubiquitous 7-Eleven chain of 7,700 convenience stores and owns 50% of Citgo Petroleum. Last week the family that

holds a 10% interest in Southland made a final maneuver. John, Jere and Jodie Thompson, whose father Joe founded the firm in 1927, offered to buy the rest of the company for \$3.8 billion, or \$77 a share, and take it private. Just seven weeks ago, Southland stock traded at \$48. But investors may reap yet bigger rewards. Southland stock closed the week above \$79 a share, a sign that speculators believe a raider may surface with a higher bid.

ARCHITECTURE

Leaning Tower Of Pizza

Domino's Pizza, the company that cooked up a \$2 billion fast-food dynasty by peddling Italian fare, is again looking to Italy for inspiration. Domino's announced last week that as part of its new headquarters complex near Ann Arbor, Mich., it plans to erect a 30-story tower that will lean to the east at a 15° angle, much like the Leaning Tower of Pisa.

The project is part of an effort to make the complex a tourist attraction. Under construction is a copper-roofed half-mile-long building in the style of Frank Lloyd Wright that will house executive offices. The tower will contain a 450-room hotel. Architect Gunnar Birkerts admits that he is prepared for "leaning tower of pizza" jokes.



4 mg
tar, 0.4 mg. nic.



6 mg
tar, 0.6 mg. nic.



3 mg
tar, 0.3 mg. nic.



9 mg
tar, 0.7 mg. nic.



7 mg
tar, 0.7 mg. nic.

**None of these brands
is as low as
Carlton Box 100's.**



**1 Less than
mg**
tar, 0.1 mg. nic.

© The American Tobacco Co. 1987

SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, And May Complicate Pregnancy.

100's Box: 1 mg. "tar", 0.1 mg. nicotine av. per cigarette, FTC Report Jan. '85.

Lowest of all brands is Carlton Box King-less than 0.01 mg. tar, 0.002 mg. nic.



Aerostar... America's new best seller.*

Ford Aerostar. It does so much so well that more buyers chose it than any other mini-van.

The Age of Aerostar.

The time is right for a vehicle so versatile it seats up to seven in roomy comfort.** Carries 50% more cargo than big conventional wagons. Tows nearly 2 1/2 tons!** And now, with its new folding seat-bed option, even converts to a sleeper.*

Aerodynamic good looks.

The Aerostar's shape distinguishes it from anything else on the road. It's designed with the modern, aerodynamic look approved by today's informed buyers.

It's also designed to make everything you do—loading, entering, driving, hauling, parking—easy to do.

V-6 punch standard.

Aerostar gives you Ford's spirited 3.0L V-6 standard. This advanced engine has multiport elec-



tronic fuel injection. And it packs the performance of 145 horsepower—more than any Dodge Caravan engine can offer!

You've got pull.

With its powerful V-6, Aerostar can be equipped to tow boats or trailers as big as 4,900 lbs.** That's over a ton more than Dodge Caravan!

Inside versatility.

Aerostar provides many arrangements of buckets, Captain's Chairs, bench seats and new folding seat-bed. Rear seats slide out to create a

huge cargo area. And an optional roof rack adds still more capacity!



Easy entry, easy ride.

Step height is comfortably low, but you sit tall with a commanding view of traffic. Aerostar rides on a luxury-car wheelbase of 119 inches, longest of any standard mini-van.

On the road... or on the town.

Aerostar's luxurious room and ride make long trips a pleasure. But around town, this trim-size Ford maneuvers and parks with ease. It fits your lifestyle—as well as your garage.

6-Year/60,000-Mile Powertrain Warranty.

New Ford Powertrain Limited Warranty covers every new 1987 car or light truck for 6 years or 60,000 miles, whichever comes first. Restrictions and deductible apply. See your Ford Dealer for a copy.

Lifetime Service Guarantee.

Participating Ford Dealers stand behind their customer-paid work, in writing, with a free Lifetime Service Guarantee for as long as you own your Ford car or light truck. Ask to see this Guarantee when you visit your participating Ford Dealer.

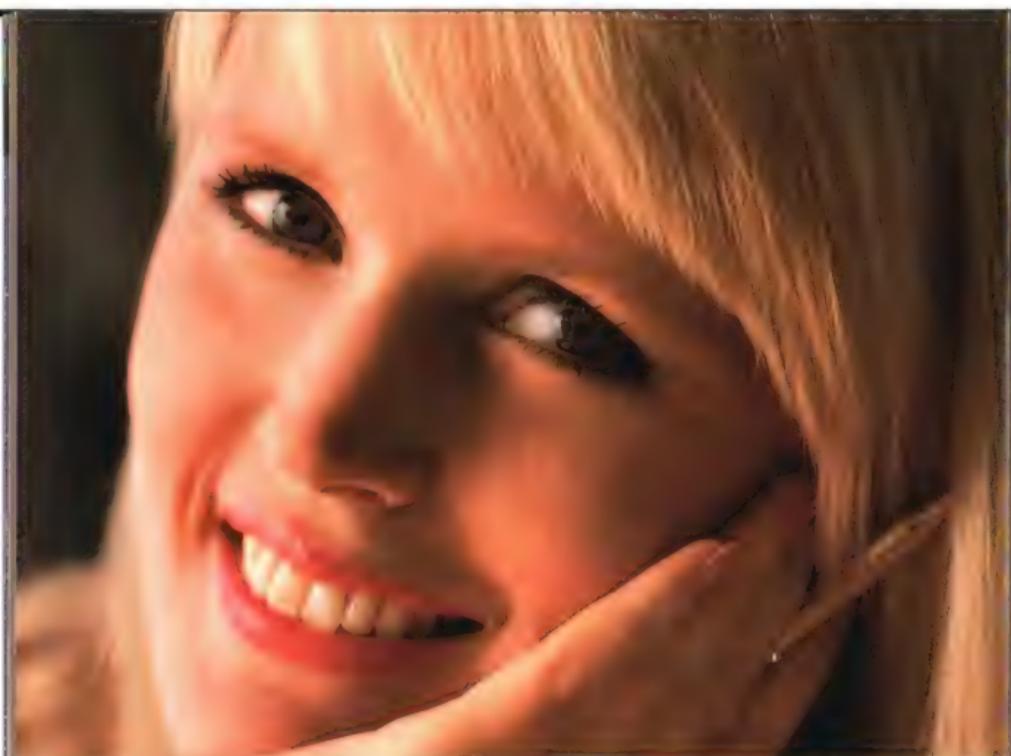
Buckle up— together we can save lives.

*Based on manufacturer's reported model year retail deliveries through January 31, 1987.

**Seats seven with optional rear bench seat. Towing rating is reduced by passenger and cargo weight in towing vehicle. Seat-bed option on XL only.

Ford Aerostar vs. Dodge Caravan	AEROSTAR	CARAVAN
Standard engine	V-6	Four Cyl.
Multiport fuel injection	YES	NO
Bigger standard cargo space (cu. ft.)	139	125
Extra driver legroom	41.4 in.	38.3 in.
Max. opt. trailer towing capacity	4900 lbs.	2750 lbs.
Longer standard wheelbase	119 in.	112 in.





Congratulate the
family's first lawyer.
Call Germany.

Call your cousin and let her know how proud you are. With AT&T International Long Distance Service, it costs less than you'd think to stay close. So go ahead. **Reach out and touch someone.®**

GERMANY

Economy	Discount	Standard
6pm-7am	1pm-6pm	7am-1pm
\$.71	\$.89	\$1.18

AVGAGE COST PER MINUTE FOR A 10-MINUTE CALL*

*Average cost per minute varies, depending on the length of the call. First minute costs more. Additional minutes cost less. All prices are for calls dialed direct from anywhere in the continental U.S. during the hours listed. Add 3% federal excise tax and applicable state surcharges. Call for information or if you'd like to receive an AT&T international rates brochure 1-800-874-4000. © 1987 AT&T



AT&T
The right choice.

Law

Assault with a Deadly Virus

What should courts do when AIDS is allegedly used as a weapon?

The U.S. Army knows the deadly capability of viruses for biological warfare. That may be why military prosecutors are now among the first lawmen in the country to see the AIDS virus as a weapon and its willful transmission as a crime. At Fort Huachuca, Ariz., last week, Private First Class Adrian G. Morris Jr., a clerk-typist at the garrison headquarters, faced a court-martial on charges that include aggravated assault. Reason: Morris allegedly had sex with two soldiers, one male, one female, although he knew an Army screening had shown him to be an AIDS virus carrier.

Similar cases are cropping up in civilian courtrooms. Two weeks ago, Los Angeles prosecutors filed attempted murder charges against Joseph Markowski, 29, accused of selling his blood and engaging in prostitution even though he allegedly knew he was suffering from AIDS. In June, James Vernal Moore, a federal-prison inmate who tested positive for exposure to the AIDS virus and who bit two guards, was convicted by a Minneapolis federal jury of two counts of assault with a deadly weapon: his mouth and teeth. In Columbia, S.C., assault and battery with intent to kill has been added to a rape charge in the upcoming trial of Terry Lee Phillips, a drifter who, prosecutors say, claimed to have AIDS and vowed to spread it before allegedly attacking a young woman.

Some of the charges springing up in courts have a dubious basis in science. There is no evidence that the AIDS virus has ever been spread through saliva. In a case that involves biting or spitting, that can certainly undercut a prosecutor's attempts to prove a charge of attempted murder. A more realistic threat, however, is represented by infected prostitutes or by someone who knowingly sells or donates his or her AIDS-tainted blood. In such cases, what should the law do?

Los Angeles County District Attorney Ira Reiner says the "egregiousness" of Markowski's actions led to the attempted murder charge. California's health code provisions that might apply to AIDS carry only misdemeanor penalties. In Fresno, authorities had used that code two weeks earlier to bring misdemeanor charges against an accused prostitute suspected of carrying the AIDS virus. She could get up to 90 days in prison for the alleged violation. Local Prosecutor James Oppiger cannot recall, however, any previous case in which the communicable-disease law

has been invoked. Says he: "We're not sure how viable the charge will be."

Other lawmakers might sympathize. A survey project at George Washington University in Washington found that 25 of some 500 AIDS-related bills introduced in state legislatures this year proposed criminal sanctions for conscious transmission of the disease. Florida and Idaho have made it a crime knowingly to expose another

(when the AIDS virus is believed to have entered in the U.S.), to donate blood, organs or semen. Penalties would apply, whether or not the accused had tested positive for exposure to the AIDS virus or not.

Some legal experts and public health officials severely downplay the AIDS-related criminality issue. "The cases that have come up are incredible red herrings, freak cases," says Nan Hunter, a staff lawyer for the American Civil Liberties Union. Says Abby Rubenfeld, legal director of the Lambda Legal Defense and Education Fund, a gay legal services group: "This is a medical crisis. We cannot jump to remedies or solutions that make people criminals. It is a hysterical reaction."

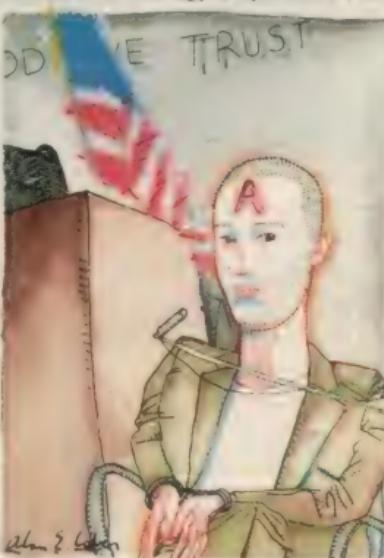
Other experts disagree. "No one is pretending to solve major health problems," answers W. Douglas Skelton, chairman of the Georgia Task Force on AIDS, a government advisory body that has recommended that the state legislature consider criminal restrictions. "We just think it is responsible to stop someone who is acting irresponsibly."

Imposing penalties and defining the behavior they are meant to prohibit poses a host of problems for prosecutors and lawmakers. "Criminal statutes must speak with clarity, so that people can at least know if they are putting themselves at risk of prosecution," says Yale University Law Professor Harlon Dalton, co-editor of *AIDS and the Law: A Guide for the Public*, which will be published next month by Yale University Press. Failure to provide such clarity, he warns, is a "violation of due process."

Legislative vagueness can make convictions difficult. Depending on how such statutes are drafted, prosecutors might have to prove that an accused was both informed and aware of that fact; in many states, confidentiality laws forbid the disclosure of AIDS test results without the written consent of the person tested. The prosecution might also have to prove that the accused had not informed partners that they risked infection.

That last consideration has probably spared PFC Morris at least one additional headache. Although Morris also had sexual relations with his fiancée, assault charges were not brought against him in that connection because the woman knew of his positive test results. But he already faces enough AIDS-related travails. If convicted, Morris could spend up to 17 years in the military prison at Fort Leavenworth, Kans.

—By Richard Lacy
Reported by Don Winbush/Atlanta, with other bureaus



person to the virus. The possible penalties include prison terms of 60 days in Florida, six months in Idaho. A similar criminalization measure awaits Governor Edwin Edwards' signature in Louisiana: penalties could range as high as a \$5,000 fine and ten years in prison. A new Nevada law requires that anyone arrested for prostitution must take an AIDS-virus test; those who test positive can be charged with a felony if picked up for prostitution again.

Two of the most far-reaching proposals are on Capitol Hill. Controversial bills sponsored by Republican Senator Jesse Helms of North Carolina and Republican Representative William Dannemeyer of California would make it a crime for those in high-risk groups, such as prostitutes, intravenous drug users and men who have engaged in homosexual activity since 1977

Living

Trapped Behind The Wheel

Clever commuters learn to live in the slow lane

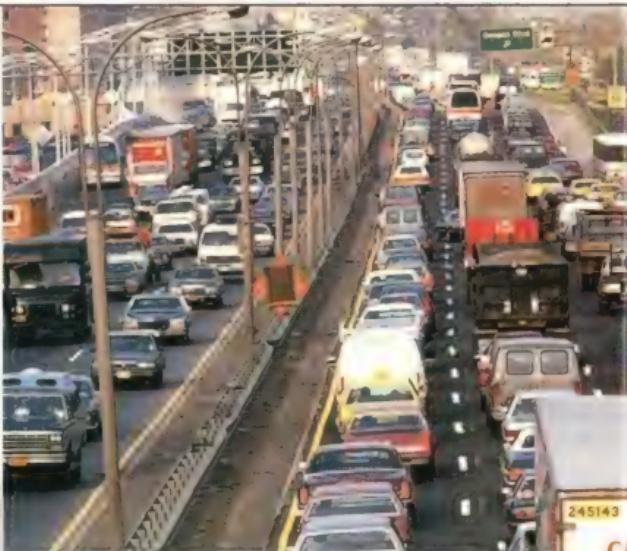
There are trends, all too easily discernible, in dinner conversations. The saga of domestic help is a persistent one—pretty worked over by now. Real estate is an ongoing turnoff, but the new buzz is even more boring and more inescapable. It is traffic.

In a scene replayed thousands of times each evening in Los Angeles, New York, Chicago and burgeoning suburbs nationwide, the last guests for a 7:30 dinner struggle in 40 minutes late, muttering their astonishment—but not, significantly, their apologies—that it took them 90 minutes to drive ten miles. Their woes inevitably inspire the other guests to a round of competitive traffic horror stories that continue well into the entrée.

There is the one about the drivers who sneak into the lane reserved for car pools by planting inflated dummies in the passenger seats. And the pregnant woman who successfully argued in court that she and her fetus were entitled to use the carpool lane because they were separate persons. Then there are the days that live in legend—like Oct. 29, 1986, when a single midafternoon accident on the San Diego Freeway spread gridlock along connecting freeways and surface streets from downtown Los Angeles to the San Fernando Valley, trapping tens of thousands of motorists for eight full hours. (Survivors of such mythic urban struggles brag about them like good ole boys at the VFW bar.)

There are reasons for the quickening national paralysis: more and more people live and work in locations that are not linked to adequate public transport, millions of women have entered the work force and are new rush-hour drivers, ingenious alternatives seem to get stymied by lack of imagination or money or both, and, above all, gas is cheap. In places where gas is still below a dollar, many drivers have reverted to old habits, and in some parts of the U.S. a two-occupant car is about as common as a bald eagle.

In California the state government estimates that each day 300,000 work hours are lost to traffic jams at a cost of \$2 million. On the Capital Beltway near Washington, gridlock costs employers as much



Going nowhere on the Long Island Expressway and Chicago's Kennedy Expressway: "Your body

as \$120 million a year in lost time. But the toll on the individual commuter, usually lone but hardly a ranger, is heavier still. Without hope of release, he sits in his little cell inhaling exhaust fumes and staring blankly at the zinc sky.

Some drivers try to fight the sentence. Take Jeff Seibert, an associate professor of pediatrics at the University of Miami School of Medicine, who finds that his 25-minute ride to work, which includes the unpredictable Dolphin Expressway, can stretch into an hour and 15 minutes. "When the radio traffic announcer advises to stay clear of a certain area, I drive right to that point," he says, figuring that the warning has cleared the congestion by dispersing most commuters onto different routes. Others, like Kathi Douglas, a recent graduate of Spelman College in Atlanta, undergo an attitude change. "I'm laid back and talkative, yet once I get on the road, I have no respect for rules and regulations," says Douglas. "You get to be really aggressive because you think it's the only way to get out of this madness."

Extreme frustration can lead to violence. Four freeway shootings have been reported in the Los Angeles area in the past eleven months. On the Santa Ana Freeway, a speed demon angered by a car that did not move from the fast lane pulled up alongside the offending vehicle and fatally shot a passenger in the front seat.

There are saner approaches to highway stasis. Ken Jenson, 28, a Los Angeles salesman, used to spend much of his hour-long commute singing with the radio. Last year he stopped the music and began studying to become a stockbroker. "I made tapes of the texts and took notes while I listened on the drive to and from

work," explains Jenson, who is now a broker in the Westwood office of Merrill Lynch. "It's amazing that I didn't hit anyone." Using the rear-view mirror, many men shave with electric razors and women often apply their makeup. Some people even dress behind the wheel. Janice Conover, a Hampton Jitney Co. bus driver who regularly plies the Long Island Expressway (popularly known as the Long Island Parking Lot), has seen motorists so engrossed in the morning newspaper that they drift from one lane toward another, luckily at minimal speed.

Hungry drivers gobble breakfast, often an Egg McMuffin, from Styrofoam cartons and slurp coffee from no-slosh mugs. Others balance checkbooks, do crossword puzzles and dictate letters and grocery lists into pocket-size tape recorders. Hot summer weekends offer an opportunity for passengers to take partial charge of the car. Inching along to the approach to the George Washington Bridge between New Jersey and Manhattan, oc-



Patently waiting to get onto the Bay Bridge, San



NADA DRY

releases more adrenaline, your blood vessels constrict, your pressure rises... You are still wound up three or four hours later."

cupants of cars without air conditioning who face delays of more than an hour hold the doors open for a little circulation.

It is possible to transform an auto into a slow-rolling "home away from home." Larry Schreiner, a free-lance reporter for a Chicago radio station and several local TV stations, often lives and works in his Mercedes 560 SEL. "I have everything I need," says Schreiner, whose longest continuous stretch on wheels was 36 hours. His office supplies include five two-way radios, two cellular phones, one headset (so he can talk on radio shows while working on videotapes), two video cameras and three video recorders. That's not all. In the trunk Schreiner keeps batteries, lighting equipment, three still cameras, telephone books, road maps and a change of clothes.

For nest-building commuters, the place to go is Chicago's Warshawsky & Co., which bills itself as the largest auto parts and accessory store in the world. It offers in-dash televisions (\$300), compact-

disc adapters, orthopedic seat cushions, heated seats for winter, and computers with cruise control and estimated time of arrival (up to \$149). Upscale drivers install \$2,000 car phones (although in Los Angeles, where there are 65,000 subscribers, airwaves are jammed in rush hours). Ordinary folk can ape "techie" drivers by ordering an imitation antenna from Warshawsky for a mere \$12.

Traffic is thick enough to defeat just about anything except perhaps the mating instinct. In fact, some have found that choked freeways can enhance the possibilities of finding a mate. Ruth Guillou, an enterprising Huntington Beach, Calif., widow, was idling along when she saw a "charming-looking man in a yellow Cadillac. I couldn't get him out of my mind. There should have been a way for me to make contact with him." Thus was born the Freeway Singles Club, a mail-forwarding service whose participants pay \$35 for a numbered decal that identifies them as members. The group has a roster

of 2,000 in Southern California and has expanded to 16 states.

According to Manhattan Psychiatrist T.B. Karasu, motorists can be divided into two categories: adaptives, those who accept things as they are and understand that they cannot be in control of all situations, and nonadaptives. The nonadaptives, says Karasu, "blow their horns and irritate everybody else as well as themselves. Noise is an external and excessive stimulus that increases rather than decreases tension. When you yell or are yelling at, your body releases more adrenaline, your blood vessels constrict, your pressure rises, and you get headaches. You are still wound up three or four hours later." Karasu points out that nonadaptive behavior, or the inability to cope with freeway stress, could lead to heart attacks or strokes for some. He advises motorists to relax by thinking they are passengers in an airplane with a captain running things. "Listen to music, daydream, focus on things you normally don't find time to think about," says Karasu. "Above all else, accept that you are where you are, and there is nothing that you can do about it."

Another solution is to change your address. Traffic jams have discouraged even the President and Nancy Reagan from returning to their old neighborhood of Pacific Palisades, Calif. "We really can't go out that far because traffic in Los Angeles is now so bad," said the First Lady to U.P.I. "You'd be on the road all the time." If motorcades can't beat the crawl, then ordinary mortals had best sit back, turn up the stereo and wait patiently for the age of Hovercraft and rocket belts. —By Martha Smigis. Reported by Dan Goodgame/Los Angeles, with other bureaus



Francisco commuters eat breakfast, read the newspaper and take a coffee break

Yamaha lived up to Scott Simpson's ability and our own expectations.

We are very proud of Scott. He won the 1987 United States Open Golf Championship at the Olympic Club in San Francisco. He won using Yamaha golf clubs.

Yamaha Leadership.

You may identify the name Yamaha with products other than golf. The fact is, we have been quietly making golf clubs in the United States for three years and are considered a leader in golf club technology and design. This comes from a tradition of quality and innovation in the use of "high tech" materials. Carbon. Boron. Ceramics. Kevlar. Words that perhaps don't have a great deal of meaning to some, but materials that have significantly improved the golf and tennis games of thousands.

Ability and Expectations.

Yamaha has two champions of outstanding ability on the PGA Tour. The Open was Scott's second victory of the year and put his 1987 earnings over \$450,000. Hal Sutton has won over \$325,000 this year and has won the U.S. Amateur and PGA, both "major" victories. Both have relied on Yamaha clubs since our beginning three years ago.

Our expectations as a manufacturer of golf and tennis equipment are very high. Yours should be too. Test our products with your local professional and experience the technological benefits and quality you can expect from our equipment.

For more information write: Yamaha Golf,
P.O. Box 66003 Buena Park, CA 90620.
Or call: (800) 854-3849. Inside California:
(800) 824-4866. Yamaha is a member of
the National Golf and Tennis Foundations.



YAMAHA

A Breakthrough in Golf and Tennis Technology.

Design

The Conrans: A Genuine Dynasty

Shrewd marketing of tasteful products has built an empire

Isn't Sir Terence Conran busy enough for one family? After all, he runs a 900-store empire on both sides of the Atlantic, selling furniture, housewares and clothes that bear his imprint. But no, other family members have got into the act. His son Sebastian, 31, runs an industrial-design firm, and has created products ranging from baby carriages to hangars. Another son, Jasper, 27, is one of Britain's hottest clothing designers, whose clients include Princess Diana and the Rolling Stones. Sir Terence's sister Priscilla oversees the development of new products for her brother and still finds time to create such things as her own line of pots and pans. Oh, and don't forget Shirley Conran, Sir Terence's former wife. She wrote the steamy best seller *Lace* and has finished *Savages*, an equally lubricious tale to be published in the U.S. in September.

As busy as his relatives are, Sir Terence, 55, is still the most industrious. No one has had a greater impact on modern British housewares and furniture than Conran, but he seems intent on conquering America as well. He runs 15 Conran's outlets in the eastern U.S. and plans to expand to the West Coast. He operates more than 200 Mothercare stores, selling maternity and infant clothing. His three decorating books, *The House Book*, *The Kitchen Book* and *The Bed & Bath Book*, have sold more than 250,000 copies in the U.S. Conran travels to America at least four times a year, conferring with advisers and checking up on his stores. Says he: "America is our biggest opportunity for the future."

Son of a resin importer, Conran displayed a passion for his craft at 14, when he excelled in metalwork and pottery at the exclusive Bryanston School, in Dorset. After studying textile design at London's Central School of Design, he free-lanced as a furniture maker before opening a home-furnishings store, called Habitat, in London in 1964. From its rows of white crockery to assemble-it-yourself pine beds and tables, Habitat offered products designed in the modernist tradition of the '30s, a kind of Bauhaus for our house: less is more, natural is better, simple is best.

Conran's taste proved so popular that by 1977 Habitat had grown into a chain of 32 stores in Britain, France and Belgium. That same year, a confident Conran opened his first shop in the U.S., but the British-made goods did not always fit the new market. The tumblers and wineglasses were too small, the beds needed to be enlarged, and customers thought the toast racks were letter holders. Conran eventually worked out the kinks, and his U.S.



Clockwise from top, with handiwork: Terence, Son Sebastian, Sister Priscilla and Son Jasper

stores made \$4 million in profits last year.

In 1981 Conran bought Mothercare, a group of some 400 stores worldwide. Priscilla and Sebastian shook the dowdiness out of the Mothercare line, emphasizing colorful clothes made of natural fibers. "We wanted to get rid of that cynical attitude among mass-market retailers who say, 'Oh, these people don't have any taste, why bother,'" explains Conran. "People can only buy what they're offered, so their taste is made by what they're offered."

Espousing no elaborate theories, Conran favors things that are simply wrought and well engineered. "So much of what is wrong with the things we buy is that they have been 'designed-up,' given unnecessary frills," he says. "Good design is 98% common sense, 2% aesthetics." Conran's skill may rest in clever retailing as

much as in a good eye. "By making design affordable," says Witold Rybczynski, author of *Home: A Short History of an Idea*, "his stores have also made it accessible. You can walk into his shops as you would a supermarket and not be intimidated."

The heart of Conran's empire is the Design Group, a 250-member staff whose headquarters is an Edwardian stone pile in London's West End. The studio, where the average age is well under 40, not only creates for Conran's chains but also handles everything from interior decoration to advertising for dozens of outside clients, including Virgin Records, Canon and Pizza Hut. Conran leaves his team pretty much alone, though he does review products at twice-a-year showings and often advises on tiny details, such as pointing out that the handle of a cup is set too high.

One of Sir Terence's more talented competitors is Sebastian, who left Mothercare in 1985 to set up his own design firm. Sebastian complains that working at his father's company made him feel like the "son of God." He tried to escape the family shadow early in his career by joining a rival company, but Dad retaliated by buying into the enterprise. Today Sebastian oversees a staff of seven but is happiest when designing. One best-selling creation: a stroller, called Via, in which the baby faces the person pushing the contraption. "The most important thing to me is function," he says. "But charm also comes into it."

Function and charm are also the aims of Jasper, a precocious clothesmaker who founded his own company when he was 19. Trained at New York City's Parsons School of Design, Jasper is known for his updated, elegant versions of traditional English tweed and cashmere outfits. "What I learned from my father is how to be the ultimate consumer," he says. "The idea is to sell." Dubbed the "tiny terror" by a British *Vogue* editor, Jasper has been known to sob uncontrollably after a fashion show; such emotional displays have not hurt his reputation—or his bank account. His firm grossed \$3.5 million last year, up from \$2.6 million in 1985.

Shirley Conran says she is pleased by the success of her former husband and their two sons, even though Sir Terence's perfectionism contributed to their 1963 divorce. "When I was married to him, I felt robbed of confidence," she recalls. Shirley took up writing the same year, producing several nonfiction books about women coping with career and marriage (including *Superwoman* and *Superwoman in Action*) before striking best-seller gold with *Lace* (3.5 million copies sold worldwide).

Family members profess to be fiercely independent of one another, but some of it is pretense. Jasper, for example, contends that he began his business on a bank overdraft, yet his father dryly notes that "I guaranteed his overdraft initially and lent him a house for his office. He tends to forget that." Sir Terence's present wife Caroline, whom he married in 1963, seems the most grateful for the family tie: no slouch in the kitchen, she coauthored *The Cook Book* with her husband.

Sir Terence's latest project may be the one closest to his heart: the world's first museum devoted exclusively to modern industrial design. Located in the dockland area of London, the four-story building will be finished in 1989. Sir Terence is already planning the exhibits, but do not look for roomfuls of extravagant furniture or wacky-looking appliances. Expect the sort of simple, utilitarian pieces that have helped make Conran a household name—and have helped make the Conran household a dynasty of design.

—By Liz Nickson/London



Ex-Wife Shirley

Shirley Conran is the ex-wife of Sir Terence Conran, a prominent British designer and businessman. She is shown here in a portrait, smiling. The text accompanying the photo discusses her career as a writer and her relationship with Sir Terence.

Press

Newswatch/Thomas Griffith

The Curse of Sound Bites

Britain's recent election struck many voters there as too much like an American presidential campaign. Pollsters, Madison Avenue techniques and television played too conspicuous a role. And to what end? Margaret Thatcher won as expected, even though almost everyone agreed that Labor's Neil Kinnock had campaigned more effectively on television (causing Lady Sear, a Liberal politician, to complain, "He may be a nice man, but for a Prime Minister it's not enough to be nice. It's not enough even for a cook!"). British politicians may be learning techniques from us, but it appeared to an American visiting during the election that U.S. television could learn something from the British.

American broadcasters tend to consider British TV news programs professionally put together but low budget, low key and kind of boring. Instead of anchormen, there are news readers who do not thrust their personalities at the viewer. Only a few interviewers with outside gall, like Sir Robin Day of the BBC with his signature polka-dot bow ties, are true celebrities (our unknighthed Sir Ted Koppels and Sir Tom Brokaw are legible degrees).

For an American visitor, the strange and exhilarating result of the British coverage was to see the candidates plain, without distractions. When they held press conferences, the camera was on the candidate; the questioning reporters were only heard, not seen. Every night during the mercifully brief three-week campaign (ours, tedious already, still has 16 months to go), each major candidate got four or five minutes on the air, which is a lifetime on American news. He or she had enough time to make and develop a point. If the speech was boring, that was the candidate's problem, not the BBC's or ITV's. Try selling that to CBS, NBC or ABC.

All this reminded an American of how CBS covered Fritz Mondale's candidacy last time. Correspondent Susan Spencer, then on the way to becoming the able reporter she now is, would use up most of her time on network news describing the day's travels, mishaps, crowd reactions—ephemera that could be found in daily newspaper stories. Sometimes, in the background, the candidate could be seen orating; at the last moment, the sound would pick up Mondale for a quick sentence or two, as if this alone, of all he said, deserved hearing. The other networks were equally condescending. What television is uniquely fitted to do—show the candidate speaking for himself—television disdained doing. Television calls these snippets sound bites, and on all three networks they are getting shorter and shorter: many are just six or seven words. Note how often the person in the news is not even allowed to finish a sentence, but the reporter always gets to finish his.

Viewers who have followed the Irancon hearings have come to know not just Ollie and the lawyers but also a gallery of fascinating congressional characters who often were mere names before—Inouye, Hamilton, Rudman, Mitchell, Boren, Hyde, Cohen, Hatch. Their questions, their demeanor and their quirks could be watched. They are now more recognizable than most of the "Seven Dwarfs" seeking the Democratic presidential nomination, who have largely been subjected to television's usual voice-over, snippetty sound-bite techniques on the evening news. Of course, networks defend their sound bites by protesting how hard it is to condense all the news into 22 minutes; as serious journalists, they should consider dropping some of those cuties sign-off feature stories that preclude the anchorman's cheery "good night."

Any network executive who is afraid that the news broadcasts look too much alike could take a radically simple step. Let the anchorman say, "In Seattle, Candidate Dukakis attacked Reagan's foreign policy," then let the man speak for himself. Before long, presidential candidates might become as familiar as the television reporters who filter the news we are told about, and sometimes see.



Thatcher with reporters during the campaign

Milestones

MARRIED. Sharlene Wells, 23, Miss America of 1985; and **Robert Allen Hawkes**, 25, a physical therapy student in Salt Lake City. Wells, like her husband a Mormon attending Brigham Young University, attributed her beauty crown to the pageant's need for restored wholesomeness after disclosures that 1984 Winner Vanessa Williams had posed nude for photographs.

MARRIED. Randolph A. Hearst, 71, chairman of the board of the Hearst publishing empire; and **Veronica de Urbe**, 39, he for the third time, she for the second; in Dumsmuir, Calif.

SENTENCED. Joe Hunt, 27, founder and leader of the so-called Billionaire Boys Club, an organization of scions of wealthy Los Angeles families; to life in prison without parole; after being convicted of murdering Beverly Hills Con Man Ron Levin, 42, who had bilked Hunt of \$4 million.

DIED. Howard M. Teichmann, 71, witty playwright and biographer of George S. Kaufman, Alexander Woolcott and Henry Fonda; of amyotrophic lateral sclerosis (Lou Gehrig's disease), in New York City. A stylish writer and raconteur, the Chicago-born Teichmann scored a solid hit on Broadway with his 1953 comedy, *The Solid Gold Cadillac*, co-written with Kaufman.

DIED. Daniel J. Haughton, 75, patriarchal former chairman of Lockheed Corp., who helped oversee the development of the U-2 and SR-71 reconnaissance planes and the L-1011 jetliner while combatting financial crises that culminated in the aircraft maker's near bankruptcy in 1971; of complications following heart and gallbladder surgery, in Marietta, Ga. Haughton resigned in 1976 after revelations of massive overseas payoffs by Lockheed in order to boost aircraft sales.

DIED. John H. Hammond, 76, jazz and blues enthusiast and legendary musical talent scout who helped popularize, among others, Benny Goodman, Count Basie, Bessie Smith, Bob Dylan and Bruce Springsteen; in New York City. An heir to the Vanderbilt fortune, Hammond haunted night clubs and jazz joints for some 50 years, unearthing and promoting his musical discoveries, who also included Billie Holiday and Lester Young, mostly for Columbia Records.

DIED. William S. Halstead, 84, prolific inventor whose more than 80 patents include the technology for adding stereo sound in motion pictures; of pneumonia; in Los Angeles. Halstead, born in Mount Kisco, N.Y., in 1950 developed a system that allowed FM stations to use sidebands of their main frequencies for stereo transmission. After World War II, Halstead helped create the first commercial TV network in Japan.

The American Way to play.

*Play longer. Every sun-filled day.
Every sizzling night.
At the affordable and exciting
Playground of the Superstars.*

Las Vegas

Environment

Coming Back from the Brink

Alligators and leopards are no longer seen as endangered

To animal preservationists, leopard coats and alligator shoes have long ranked among the most flagrant symbols of human indifference to the fate of wild animals. Even among the general public, consciousness has been raised high enough so that anyone sporting finery made from the skins of endangered animals runs the risk of at least verbal assault.

The attackers may have to shift emotional gears, however. Last month the U.S. Fish and Wildlife Service formally announced that the American alligator is no longer an endangered species. And, at a meeting this week in Ottawa, the U.N.'s Convention on International Trade in Endangered Species will release a report urging not only that the common leopard be removed from its list of endangered animals but that legal hunting be resumed.

While the alligator's recovery has been "phenomenal," according to David Klinger of the FWS, it seems that the spotted feline may never have faced a catastrophe in the first place. Unlike its truly rare cousin the Himalayan snow leopard, the common leopard made the list, in the 1970s, largely for emotional reasons. Worries about shrinking habitats and excessive hunting were "clearly overblown," admits Jaques Berney, deputy secretary-general of CITES. "Leopards are not like cheetahs," he observes. "They're highly adaptable animals."

The push to recategoryize the leopard is based on a five-month study, conducted in 23 countries by Rowan Martin, chief ecologist for Zimbabwe's department of national parks and wildlife management, and Belgian Biologist Tom de Meulenaer. The pair used eyewitness accounts and statistical-computer modeling to estimate Africa's leopard population at a healthy 700,000 to 850,000. The 75- to 150-lb. cats have even been sighted recently on the outskirts of Nairobi. The biologists went so far as to recommend the resumption of international trade in leopard

skins. The best approach to leopard management, they argue, is to legalize a limited "harvest," diverting revenues from poachers and providing an estimated \$29 million to "governments and law-abiding citizens."

The reclassification of the alligator, however, is a true victory. Twenty years



New surveys suggest the spotted feline was never at risk in the first place

ago, the toothy reptiles had been so assiduously hunted, says FWS Director Frank Dunkle, "that many believed the species would never recover." Skin-seeking poachers had killed the animals by the tens of thousands. In 1966 Congress passed the first of the Endangered Species Acts, which banned hunting any animal at

risk of elimination over a major part of its range. Such legislation was spectacularly successful for the gators, thanks in large part to the FWS agents who enforced it.

One of the heroes was David Hall, an agent who went undercover for nearly ten years in the swamps and bayous of the South. Hall would get to know the locals and start buying alligator hides from traders; at one point, he operated a tanning factory for more than a year. "The big traders would bring their skins to me in 18-wheel trucks," says Hall, "and we'd bust them on the spot. I know the real Crocodile Dundee, and I've arrested about half of them."

Alligator populations rebounded rapidly. Says Klinger: "All we had to do was stop the poachers, and the gators did the rest." In Alabama, for example, biologists reported a tenfold increase in alligators between the mid-1970s and the early '80s. By 1985 the FWS declared the animal no longer endangered in Louisiana, Florida and Texas, where 90% of the animals live, and last month it extended that decision to the seven other states where gators are found. "We've got more alligators than we know what to do with," exclaims Klinger, who says there may now be several million.

The alligator is not the only FWS success: the brown pelican, once in danger, is now off the list in several states. The bald eagle is up from its 1963 low of 417 active nests in the lower 48 states to some 2,000 breeding pairs this year—not enough to be declassified but an impressive return for the national symbol. Unfortunately not all protected species can be coaxed into bouncing back. Despite government protection, there are no known California condors left in the wild; the remaining 27 are in captivity. And in 70 years of trying to save the whooping crane, the population has grown from a low of 15, in 1941, to just 170 birds. Nor can deletions from the endangered list begin to keep pace with the new additions. At the moment, 449 animal and plant species remain listed in the U.S.; 37 of them were added in 1987 alone.

—By Michael D. Lemonick

Reported by Jerome Cramer/
Washington and Robert Kroon/
Geneva

Waste Dump Wanted

California's reputation as a trendsetter has been enhanced: while most states fight to keep nuclear-waste dumps out, three Mojave Desert towns are fighting to get one. The wastes are "low level"—contaminated lab glassware, protective clothing and the like, rather than power-plant residues. What appeals to the depressed towns of Needles, Baker and Trona is the potential economic fallout: about 40 jobs and \$2 million a year in taxes and fees.

Under federal law, all states must establish low-level

waste sites or have access to regional dumps by 1992. So far, only the Californians are enthusiastic, but that may change as other towns recognize the opportunities. Without the dump, observes Louis Clark of the *Baker Valley News*, "all our kids have to look forward to is pumping gas and washing dishes."



California's Mojave Desert

“Just about
the time you make
both ends meet,

somebody
moves the ends.”

If this remark by Pansy Penner seems familiar, perhaps your financial affairs are too much like a three-ring circus. If so, you should take advantage of the innovative thinking found at The Northern Trust Company in Chicago.

Our experts don't stop at just helping you make ends meet. We map out short- and long-term financial plans that maximize your assets. And assemble strategies for credit management and customized investments. Plus, by anticipating your changing needs, and staying on top of the latest financial opportunities, you can be sure we'll have your money working as hard as you do.

It's no wonder more and more executives, professionals and entrepreneurs are turning to Northern Trust for help with their financial plans. Let us show you how we can help get your financial act together with the greatest of ease. Call our Private Banking Department, (312) 630-6000.

Northern Trust Bank™
Put our ideas to work for you.

The Northern Trust Company, 50 S. LaSalle, Chicago, IL 60675. Member FDIC.

The Northern Trust Company, First National Bank of Lake Forest, First National Bank of Lake Bluff, Lake Forest National Bank, Northern Trust Bank/O'Hare, Northern Trust Bank/Orland Park, Northern Trust Bank/Naperville, Northern Trust Bank/Woodfield, and The Northern Trust Company of Illinois in Winnetka are wholly owned subsidiaries of Northern Trust Corporation. Rates and services may vary.

© 1987, The Northern Trust Company.

Isn't it time you started board a bonus airplane?

*Hawaii for just 90,000 miles!
Europe, 115,000! Fiji, 120,000!*

If you're a frequent flyer, airline bonus programs have literally put the world at your feet.

But alas, they are a mixed blessing.

Why? Because most of the airplanes on which you earn those miles are unavoidably crowded. And noisy. And late.

And one day soon, you'll find it isn't the end that's going to win your business. It's the means.

Which is one reason more and more airlines these days are looking to Airbus Industrie aircraft.

Because while other families of aircraft are based on designs up to 25 years old, Airbus Industrie aircraft are designed for the way people fly today: often, long, and seriously.

An evolutionary idea.

Scientific studies show that, over the years, the average human frame is widening at both the hips and the shoulders.

A fact not lost on Airbus Industrie in designing our own frames.

For instance, Airbus Industrie's twin-aisle, twin-engine widebodies, the A300 and A310, are both nearly two feet wider than the competition. Our new single-aisle A320 is also wider than other single-aisle airplanes.

These dimensions obviously let airlines offer frequent flyers more seat per seat.

But width alone does not a com-

fortable airplane make.

So at Airbus Industrie, we've also designed our aircraft to have more overhead room for carry-on luggage. This provides two important benefits. One, your legs get more room to stretch out, because the carry-on that used to go under the seat can now go over your head. And two, because your luggage is within arm's reach, you can get on your way faster.

No last minute surprises.

According to the Federal Aviation

Administration, the number of delayed flights last year was up 22%.

And while many of those were due to air traffic delays and bad weather, Airbus Industrie figures that the airplane itself shouldn't add to the problem.

To this end, we've designed airplanes that have a more logical integration of systems and parts, thus making maintenance easier and faster.

What's more, many potential delays can be averted thanks to the Computerized Fault Display System



earning your bonus mileage on

(CFDS), an unprecedented troubleshooting system pioneered by Airbus Industrie.

Not only can the CFDS automatically detect potential problems, it can tell the maintenance crew precisely how to correct the situation without dismantling more parts than necessary. Which, of course, means less of a delay for you.

Great airplanes should be seen. Not heard.

Airbus Industrie believes that one shouldn't have to sacrifice one's hearing to earn bonus miles.

And consequently, no family of

aircraft can make a louder claim about quietness than we can.

Thanks to the most advanced powerplants, aerodynamic fuselage design, and other noise-baffling innovations, Airbus Industrie aircraft guarantee a quieter, more pleasant environment for both passengers and the world below.

In fact, so effective are these innovations, that our aircraft do not simply meet, but far surpass, the

stringent Stage III noise reduction standards set by the FAA.

Now the carrot has no stick.

So if you're tired of the price you pay for flying bonuses, look for Airbus Industrie aircraft. They're now in the service of 57 savvy airlines in the U.S. and around the world.

And then who knows? Getting to your bonus award could be more than half the fun.

 **AIRBUS INDUSTRIE**

The planes to fly when you fly a lot.



The A320 enters commercial service in spring 1988.

The TIME Education Program congratulates the 7 winners and 85 finalists of the 1987 Student Writing Contest!

The seventh annual TIME Education Program Student Writing Contest provided an opportunity for students nationwide to think about and express their views on contemporary issues. Students from nearly every state submitted essays and artwork to the contest. The winning entries, selected by a panel of editors and writers from TIME, represent outstanding work by American students.

The winner in each of the four writing categories received a \$5,000 college scholarship; the winner in each art category received a \$500 scholarship.

THE 1987 WINNERS

Nation Category

Vincent Barrett • St. Thomas Aquinas High School • Ft. Lauderdale, Florida • Teacher: Christine Jones

World Category

Alison Morantz • Shawnee Mission East High School • Prairie Village, Kansas • Teacher: Bill Boley

Economy & Business Category

Tom Bozzo • Pennsbury High School • Fairless Hills, Pennsylvania • Teacher: David Miller

Technology Category

Danya Wayland Blair • McCullough High School • Woodlands, Texas • Teacher: Wanda Coleman

Cover Design Category

Salvatore Tramuto • William Floyd High School • Mastic Beach, New York • Teacher: Sue Hersh

Chart/Diagram Category

Dishan Chih • John Browne High School • Flushing, New York • Teacher: Mitchell Kleinman

Political Cartoon Category

Chester Wajda • Lyons Township High School • LaGrange, Illinois • Teacher: Cathy Bogian

THE 1987 FINALISTS **Nation:** Rosario Aguilera, *Mayfair* H.S., CA • Devin Corbin, *Rice Lake* H.S., WI • Lynne Dahmen, *Jonathan Dayton* H.S., NJ • Daniel Goodman, *Short Hills* H.S., NJ • Marc Griffith, *Lincoln* H.S., CO • Cheryl Hedges, *The Bronx* H.S. of Science, NY • Sharon Ann King, *Enloe* H.S., NC • Keith D. Lauver, *St. Paul's School*, NH • Thuy Linh (Lynn) Nguyen, *Mayde Creek* H.S., TX • James J. Vassily Jr., *Elyria* H.S., OH • **World:** Christopher Bates, *Anderson* H.S., OR • Joseph Buttarazzi, *Auburn* H.S., NC • Maisha Closson, *Winter Park* H.S., FL • Chad Hollman, *Northside* H.S., CA • Wendy Margolin, *Mann Academy*, CA • Brian C. McCollum, *Independence* H.S., NC • Henry J. Riva-Palacio, *Elmira* H.S., NC • Samir Singh, *Benjamin Cardozo* H.S., NY • Keresa Webster, *Owosso* H.S., MI • Seth Wolschlegger, *St. Lawrence Seminary*, WI • **Economy & Business:** Julie M. Ermy, *West Washington* H.S., OK • Tan Getz, *Twin Valley* H.S., PA • Fumiloune Hide, *Hunter College* H.S., NY • Kevin Lally, *Seton Hall Preparatory School*, NJ • Heidi R. Lutz, *Wisconsin* Senior H.S., PA • Roger C. Mathews, *West Morris Mendham* H.S., NJ • Christopher Nash, *Enloe* H.S., NC • Steve Pace, *Lewisville* H.S., TX • Sunesh G. Shalek, *Emerson Jr.-Sr.* H.S., NJ • Robert A. Shulman, *Wisconsin* Senior H.S., PA • Todd Sundstrom, *Detroit Lakes Community Senior* H.S., MN • Jennifer Wicks, *Newman Smith* H.S., TX • Justine Rebecca Young, *Laurie* H.S., MD • Jessica Zuleta, *Southwest Miami Senior* H.S., FL • **Technology:** Kathleen Helen Airey, *Northern* H.S., MD • Scott C. Allen, *Altion* H.S., IL • Stephanie Dunkle, *Herndon* H.S., VA • Wendy Ertel, *Montclair Kimberley Academy*, NJ • Jessica Hemera, *Thomas Jefferson* H.S., TX • Berne Jackson, *Berkeley Preparatory School*, FL • Joseph Russo, *Benedictine* H.S., OH • Irvin Sahn, *Taylor* H.S., TX • Shan Tews, *Gretna* H.S., NE • Shane W. Wilson, *Newman Smith* H.S., TX • Juliet Woon, *Benjamin Franklin* H.S., LA • Rollin M. Wright, *North* H.S., GA • Eddie Godwin H.S., VA • **Political Cartoons:** Phillip Avelli, *William Floyd* H.S., NY • Douglas A. Bernstein, *Pompton Lakes* H.S., NJ • Michael Hernandez, *Hialeah-Miami Lakes Senior* H.S., FL • Tammy Jackson, *Lewisville* H.S., TX • Timothy John East, *Henderson* H.S., NC • Edward Nadel, *Joel Braverman* H.S., NY • Rose Perez, *Denton* H.S., PA • Michaela Plowman, *Nelson* H.S., NJ • Michaela Saccoccia, *Hanover* H.S., PA • Mary Simmons, *Louisville* H.S., TX • Scott Stanford, *McCullough* H.S., TX • Dennis Strommen, *Concord* H.S., IL • David Sutton, *Pearce* H.S., NE • Jason Todd, *Shoreline* H.S., TN • **Chart Diagram:** Dale Becker, *Del Oro* H.S., CA • Sun-Young Kim, *John Browne* H.S., NY • **Cover Design:** Keith Allman, *Confederate* H.S., OH • Shanelle Allman, *North Cobb* H.S., GA • Jacqueline Brunner, *McCullough* H.S., TX • Dominick Camone, *Ulysses* H.S., WV • Hin F. Chan, *Stuyvesant* H.S., NY • Bill Hargrove, *McCullough* H.S., TX • Laura Heberlein, *Wesford Kettner* H.S., MI • Scott Higgin, *Winston* H.S., CT • DeWayne Johnson, *Wheeler* Senior H.S., MD • Sharon Lubomski, *Highland Regional* H.S., NJ • Dennis Mark, *Bronx* H.S., NY • Caji Miller, *Rivervale* H.S., TN • Stephanie Segal, *Pennsbury* H.S., PA • Craig Vogt, *Grosse Pointe South* H.S., MI • **Cartoogher:** Karen Bossi, *College of St. Joseph*, VT • Glenn M. Breda, *State Univ. of New York-Binghamton*, NY • Bryn Deans, *Atlantic Christian College*, NC • Ted Escobedo, *Univ. of Texas-El Paso*, TX • Treena K. Herrington, *Eastern New Mexico Univ.-Clovis*, NM • Sharon Marie Schid, *South Coast College of Court Reporting*, CA

The deadline for next year's contest is March 1, 1988. The TIME Education Program Student Writing Contest is open to all high school and college students.

For more information on the Student Writing Contest and other educational programs offered by Time Inc., please call toll free, 1-800-523-8727 (in PA, 1-800-637-8509; in HI and AK, call collect 1-215-493-1221).



10 North Main Street
Yardley, PA 19067

Books

Who Killed Carolyn Polhemus?

PRESUMED INNOCENT by Scott Turow
Farrar, Straus & Giroux; 431 pages; \$18.95

Writers want to be read; most of them will also confess to dreams of striking it rich. Every so often, reality conspires to reward both desires at once. The latest beneficiary of this bolt-from-the-blue largesse is a Chicagoan named Scott Turow, 38. Since 1978 he has been a lawyer in his hometown, working for eight years in the U.S. Attorney's office and then as a partner in a private firm. He has also, like thousands of others among the gainfully employed, written in his spare time. Eventually he completed his first novel. Unlike most such manuscripts, however, this did not meet with indifference and rejection; in fact, publishers competed eagerly to buy the book. Turow finally accepted \$200,000 from a house whose reputation he admired. Next a book club bought it. Then came \$1 million for screen rights, with a paperback sale still pending—and obviously appreciating as the novel climbs best-seller lists.

But Turow's good fortune cannot be written off entirely to luck. Although a beginning novelist, he is a published writer; his *One L.*, an account of his first year at Harvard Law School, received admiring attention when it appeared in 1977. In addition, Turow's legal training and experience as a prosecutor have honed some skills useful to lawyers and storytellers alike: an eye for significant details, an ear for how people talk and what they may actually mean when under pressure. *Presumed Innocent* has not stumbled into success. It is a clever, carefully prepared plea for popular attention.

The case rests principally on an irresistible plot. Rusty Sabich, 39, is the chief deputy prosecutor of Kindle County, somewhere in the Middle West. Raymond Horgan, his boss and mentor for the past twelve years, faces a re-election battle undermined by a stroke of bad news. A little less than three weeks before the voting, Carolyn Polhemus, a member of Horgan's staff and Rusty's colleague, has been found murdered in gruesome, suggestive circumstances: nude, bound, apparently raped. Horgan's political opponents create a furor, and the local papers and TV stations chime in: if brutal crime can reach even the chief prosecutor's office and go unpunished, it is time for a change. As he has so often in the past, Horgan turns to Rusty, his reliable protégé:

"Catch me a perpetrator and save my worthless ass."

It is not that easy, of course. The criminal evidence is inconclusive, and may have been planted with the intent to mislead. Within the agencies he must rely on to aid the investigation, Rusty finds some people who are not Horgan's (or his) friends and who seem disinclined to hurry. And Rusty has an emotional tie to this case that he

Excerpt

“They lie for the fun of it, or because that is the way they have always been. They lie about big details and small ones, about who started it, who thought of it, who did it, and who was sorry. But they lie. It is the defendant's credo. Lie to the cops. Lie to your lawyer. Lie to the jury that tries your case . . . Lie to your bunkmate in the pen. Trumpet your innocence. Leave the dirty bastards out there with a grain of doubt. . . . Something can always change.”

cannot reveal to any of his fellow professionals. Some months earlier, he had risked his career and his marriage of 17 years on a passionate affair with the murder victim. After a month or so, she jilted him and took up with Horgan.

So who killed Carolyn Polhemus? There is a simple answer to that question, of course, and *Presumed Innocent* eventually provides it. But the novel has aspirations well beyond those of the run-of-the-mill whodunit. Turow uses Carolyn's grotesque death as a means of exposing the trail of municipal corruption that has spread through Kindle County. The issue is not merely whether a murderer will be brought to justice but whether public institutions and their guardians are any longer capable of finding the truth.

An extended trial forms the novel's centerpiece and shows off Turow's specialized knowledge to best advantage. The jousting between prosecution and defense, the psychological intricacies of jury selection, the subtle influence a judge can exercise on the outcome of a case, all are convincingly and grippingly portrayed. And the irony behind these elaborate proceedings is that they almost certainly have no bearing on the actuality of Carolyn's death.

Presumed Innocent is strongest when it sticks to the facts, the gritty routine of trying to solve a puzzle by finding the pieces and hoping they fit. Rusty, who is the narrator as well as the central character, has been at his job long enough to sound persuasively disillusioned. He describes working conditions in the prosecutor's offices: "In the summer we labor in jungle humidity, with the old window units rattling over the constant clamor of the telephones. In the winter the radiators spit and clang while the hint of darkness never seems to leave the daylight. Justice in the Middle West."

Unfortunately, Rusty is also given to occasional delusions of Dostoyevsky. "I have seen so much," he begins at one point, brooding over his liaison with the murder victim, and then recites a litany of misery, concluding, "The lights go out, grow dim. And a soul can stand only so much darkness. I reached for Carolyn." As excuses for adultery go, Rusty's sounds more than a little pretentious.

But these flaws stem from an abundance of ambition, from Turow's attempt to wrest every conceivable implication out of the story he has constructed. Given the breakneck pace of *Presumed Innocent*, the surprises that keep piling up even after what seems an unstoppable conclusion, no one is likely to complain.

—By Paul Gray





American Eagles. An investment you can actually hold.

 There's an investment you can see and touch. An investment that actually feels good to hold on to. American Eagle Gold Bullion Coins.

American Eagles are the only gold bullion coins to have their content and weight backed by the United States Government.

They come in one



ounce, $\frac{1}{2}$, $\frac{1}{4}$, $\frac{1}{10}$ oz. sizes; a one ounce American Eagle Silver Coin is also available. You can buy them at participating banks, brokers, coin and precious metals dealers. Their price, of course, will fluctuate with the metals markets.

So consider American Eagle Gold Coins. One investment you can actually get your hands on.

AMERICAN EAGLE GOLD & SILVER BULLION COINS

MAKE MONEY IN COLLEGE

You can earn extra income distributing Time Inc. Campus subscription cards. All you have to do is spend a few hours each week distributing our order cards offering TIME, SPORTS ILLUSTRATED, MONEY, DISCOVER, FORTUNE, PEOPLE and LIFE at special low campus rates. You set your own working hours and receive generous commissions on all orders received.

For details write

TIME INC. COLLEGE BUREAU

353 Route 46, Rockaway, NJ 07866

(Please include your college telephone number and college address.)

Books

Appendixitis

CULTURAL LITERACY
by E.D. Hirsch Jr.
Houghton Mifflin; 251 pages; \$16.95

What is Brownian motion? Who said we should burn with a hard, gem-like flame? How do you translate the phrase *comme il faut*? Failure to answer questions like these signifies a catastrophic ignorance, according to E.D. Hirsch Jr., a professor of English at the University of Virginia and inventor of the latest intellectual parlor game.

Hirsch did not set out to produce an entertainment. But this summer, readers seem eager for masochistic diversions. Another finger-wagging polemic about American education, Allan Bloom's *The Closing of the American Mind*, has been on the New York Times best-seller list for eleven weeks. *Cultural Literacy* is equally cranky, and it has already made best-seller lists in New York City, Dallas, Denver, Seattle, San Francisco and Boston.

Hirsch establishes his dour tone early on by distinguishing between literacy (the ability to read one's own language) and cultural literacy (possession of specific information). Students may be able to read at a ninth-grade level, according to Hirsch, and still be ignorant of history and society. He quotes a Latin pupil astonished to find that she is learning a dead language. "What do they speak in Latin America?" she demands. A California journalist testifies, "I have not yet found one single student in Los Angeles, in either college or high school, who could tell me the years when World War II was fought." The Federal Government's Foundations of Literacy project recently tested 17-year-olds: samplings show that half cannot identify Stalin or Churchill.

Hirsch proposes to recover what has been lost: a set of common references. "The more computers we have," he maintains, "the more we need shared fairy tales, Greek myths, historical images, and so on." The reason for this seeming paradox is that "if we do not achieve a literate society, the technicians, with their arcane specialties, will not be able to communicate with us nor we with them. That would contradict the basic principles of democracy and must not be allowed to happen."

Stripped of its apocalyptic tone, what this amounts to is an advocacy of teaching names, dates and places by rote and pro-



Hirsch: arbitrary

Everything you'd expect from a Jaguar except the price.



Now you can purchase a pre-owned Select Edition[®] factory-warranted Jaguar at a most affordable price.

The Jaguar XJ6 Series III sedan, the V12-powered XJ-S and the special edition Vanden Plas are counted among the world's most desirable motorcars. They set standards by which other cars are judged—for their masterful blending of artful design, for incredible luxury and technical sophistication.

Jaguars also offer extraordinary value: In 1985 and 1986, *Motor Trend* magazine said the purchase of a new XJ6 represented the "best buy" among all high-priced luxury sedans. Yet despite this fact, a new Jaguar remains out of the reach of many.

With the availability of Select Edition pre-owned Jaguars, your dream of owning one of these exquisite motorcars may now be a little closer to reality.

Every Select Edition XJ6, XJ-S or Vanden Plas has been specially selected. None can be more than five years old, and none has been driven more than 60,000 miles. All are put through the most extensive service procedure on Jaguar's regular maintenance schedule. Higher mileage vehicles are fitted with a comprehensive new parts package to ensure Jaguar's legendary standards for ride and handling are maintained. In short, a Select Edition can give you everything you'd expect from a Jaguar...except the price.

So confident is Jaguar of the superb condition of these cars that they are backed by a special

Select Edition 12 month or 12,000 mile factory warranty. If the qualified Jaguar you select has time or mileage remaining on its new car warranty, the Select Edition warranty will go into effect after the original expires. And of course, every Select Edition Jaguar owner is entitled to the same courteous sales assistance and expert after-sale service that all Jaguar owners enjoy.

For information on the availability and pricing of Select Edition models, and details of the Select Edition limited warranty, see your participating Jaguar dealer. If you need assistance in locating a dealer, call toll free: 1-800-4-JAGUAR.

ENJOY TOMORROW. BUCKLE UP TODAY.

JAGUAR
A BLENDING OF ART AND MACHINE

Steve,
If buying me diamonds
has always been a mystery,
here's a clue. XXJ.



Breathtaking! It must be Jose Hess.
Stunning diamond jewelry from \$5,000.

Somewhere there's someone who
deserves diamond jewelry this special,
this beautiful.

Isn't that someone worth it?

What makes this jewelry extraordi-
nary is the combination of superb design

Jewelry enlarged for detail

and quality diamonds. Diamonds
that have been judged by the 4C's. Cut,
Color, Clarity and Carat Weight.

The Jose Hess Collection is
featured at fine jewelry stores. For the
one nearest you, contact us at:



Jose Hess Inc.
501 Madison Avenue
New York, NY 10022
(212) 753-5880

A diamond is forever.

© Jose Hess

viding a context later. Hirsch acknowledges that the method has been derided since Dickens satirized Pedant Thomas Gradgrind ("Facts, sir: nothing but Facts!") in *Hard Times*. But, he counters, "it isn't facts that deaden the minds of young children, who are storing facts in their minds every day with astonishing voracity. It is incoherence—our failure to ensure that a pattern of shared, vividly taught, and socially enabling knowledge will emerge from our instruction."

And exactly what knowledge will be vividly taught? *Cultural Literacy* is obviously meant to provoke serious debate. But when it leaves the theoretical and lands on the practical, it executes a pratfall. Hirsch and two academic colleagues offer a 64-page appendix of references that constitutes their version of vital information. They never do get around to telling the reader that Brownian motion is a random movement of microscopic particles suspended in liquids or gases, that Walter Pater said we should burn with a hard gemlike flame and that *commi* faut means proper. They are too busy moving their curriculum between the trendy and the arbitrary. Why, for example, is Sartre listed but not Camus? Why Norman Mailer but not Saul Bellow or John Updike? Leonardo but not Michelangelo? Venereal disease but not AIDS? Why Beverly Hills but not St. Louis? Cole Porter but not Leonard Bernstein? Muammar Gaddafi but not Francois Mitterrand? Bogart but not Olivier or even Cagney? Such questions guarantee that the book will indeed spur discussions all summer long, but perhaps not the ones the author intended.

—By Stefan Kanfer

Sinking Ship

THE RAT

by Günter Grass

Translated by Ralph Manheim

Harcourt Brace Jovanovich

371 pages: \$17.95

Ever since his first novel, *The Tin Drum*, exploded into international bestsellerdom in 1963, Günter Grass has pursued two parallel careers. He continued to write fiction (*Dog Years*, *Local Anaesthetic*, *The Flounder*), as well as plays and poetry, that enhanced his worldwide reputation. He also plunged energetically into politics, working on behalf of West Germany's Social Democratic Party, speaking out against the superpower arms race, and hectoring with particular fervor the Western democracies. Planners of literary conferences learned that one sure way to garner attention was to snare Grass as a participant. He could, at the very least, be counted on to insult his hosts and stir everyone up before he moved on.

No one can doubt the author's devotion to both literature and crusades, but Grass, 59, seems to be growing impatient with keeping the two activities separate. Witness *The Rat*, a novel in which imaginative extravagance is yoked to a relentless

less jeremiad about the despoliation of the earth. The result is a struggle between an art that teases and an argument that harangues. The loser, hands down, is art.

The narrator is explicitly Grass himself. He alludes to his birth and childhood in Danzig (now Gdansk), his service as a Hitler Cub during his early adolescence, and his later authorial relations to one Oskar Matzerath, the hunchbacked, stunted hero of *The Tin Drum*. Having asked for and received a pet rat as a Christmas present, the speaker begins suffering nightmares in which he must endure diatribes by "the She-rat of my dreams." She complains of, among many other things, the beastly treatment the rat has had to suffer at the hands of humans, dating all the way back to its exclusion from Noah's ark. She also reveals that people have finally succeeded in destroying themselves and their civilizations, and that rats are the inheritors of the devastation left behind. She acknowledges her kind's proverbial reputation for abandoning sinking ships, but adds, "When Earth became the ship there was no other planet to move to."

This news spurs the narrator first into denial ("No. She-rat, no! . . . We're still alive and kicking") and then into a frenzy of storytelling ("an attempt to put off the end with words"). He resuscitates Oskar of *The Tin Drum*, now nearing 60 and the head of a film and videocassette production company, and sends him on a trip to Poland to attend his grandmother's 107th birthday party. He revives the plot and premise of *The Flounder* and sets five women in charge of a sailing barge on the Baltic Sea, ostensibly testing for the stultification of that body of water by jellyfish pollution but really looking for the underwater feminist city of Vineta. Then there is the matter of acid rain and the death of European forests. That calls for a recurring fantasy involving the Grimm brothers, a host of their fairy-tale characters and the children of a West German Chancellor. Overpopulation is not ignored, nor is the danger posed by nuclear power plants, armaments and the Big Bang.

Whenever these diversionary tales threaten to get interesting, the She-rat interrupts with further animadversions against Homo sapiens. The narrator complains, "Her talk, that nasal piping, grumbling, muttering, went on and on. Indeed it does, drowning everything, including patience, in a sea of recrimination and invective. The preachiness of *The Rat* ultimately grows fatiguing and self-negating. If the human race is truly as pigheaded and suicidal as it is portrayed here, then such a book will only add to the "garbage mountain" from which the She-rat speaks her eulogy.

—PG



Grass: fervid

RUM & OYSTERS

1 1/2 oz. Bacardi Gold Reserve rum
1 pearl, fresh from the shell
1 snifter glass

BACARDI
GOLD RESERVE
You don't mix it ordinarily.

BACARDI AND THE BACARDI LOGO ARE REGISTERED TRADEMARKS OF BACARDI & COMPANY. LIMASSOL, 1987 BACARDI IMPORTS, INC., NEW YORK, NY 10017. 40% alc./vol.

Q.

1. WHICH PAIN RELIEVER HAS UNBEATABLE STRENGTH FOR HEADACHES?

The largest clinical headache study ever against ibuprofen confirms it. Nothing is more effective for headaches than Extra-Strength TYLENOL. Nothing.

acetaminophen

2. WHICH PAIN RELIEVER IS EASIEST ON YOUR STOMACH?

TYLENOL does not irritate your stomach the way aspirin and even ibuprofen can.

3. WHICH PAIN RELIEVER DO HOSPITALS USE MOST?

Last year hospitals dispensed TYLENOL ten times more than the leading aspirin and non-prescription ibuprofen brands combined.

A.



Cinema

Time, Space and the Joy of Evil

JEAN DE FLORETTE Directed by Claude Berri
Screenplay by Claude Berri and Gérard Brach

Shrewd, grasping, rich old César Soubeyran (Yves Montand) and his simpleton nephew Ugolin (Daniel Auteuil) covet their neighbor's land. Each has his reasons, but they are not good enough. Not enough, that is, to justify their terrible plot to force the decent, innocent newcomer known as Jean de Florette (Gérard Depardieu), his patient wife and lovely child to sell their holdings at a distressed price. The Soubeyrans' idea is simple: stop up the neighbor's spring. But the execution is grim and protracted; the plotters stand by, offering sympathy but no practical assistance as Jean descends first to exhaustion, then to madness, finally to death as he tries to fight an extended drought with the few gallons of water he can painfully haul from a spring that is many rugged miles away.

The time is some 60 years ago. The place is equally distant, a primitive part of Provence. Why do the machinations of these villains grip us so vividly? Jean is an idealistic tax collector who leaves the city to live close to nature. Why does his fate move us so deeply? Above all, by what means does this cruel tale of victimization—there is rarely a film that so relentlessly documents the meanness of the human spirit—manage to release in us, of all ironies, such a spirit of joyous welcome?

Partly it is a matter of emotional scale. This is not a movie of halfway measures. The wicked are irredeemably wicked, the good unalterably good. No one is permitted to slip into anything a little more comfortable and up to date, like ambiguity or absurdism. And no one is permitted to loiter palely among his half-formed thoughts.

Take Montand's César, for example. His stride, his gesture, his voice bespeak implacable authority. Even his mustache reinforces the message. It is not the adornment of routine villainy, crimped and primed, but an ample, well-rooted assertion of masculine self-sufficiency, of immunity to the judgments of common men. He possesses himself as confidently as he grasps his wealth and standing in the community. His antagonist Jean has toiled since birth under the curse of a hunchback. He knows all

about burdens, yet his endurance under new ones is almost unbearable to witness. When last he cracks and curses God, Depardieu makes us feel the ground shifting not just under his feet but under our own as well. As for Auteuil, bound to his uncle by blood, drawn to Jean by compassion, he gives perhaps the most intelligent

contrivance, forced coincidence and melodrama. And Director-Adapter-Producer Berri (*The Two of Us*) refused to reduce this film to that level. Using *L'Eau des Collines*, a two-volume novel by Marcel Pagnol (which was itself a reworking of material the author used in a commercially failed film), Berri pursued the rights to a book he loved for six years before Pagnol's widow relented to him. Determined to make a separate film of each portion of the novel simultaneously and equally committed to show the passing of seasons and years and their effects on his characters, he ended with the most expensive (\$17 million) project in French film history.

Above all, the money bought Berri amplitude. His people are almost never isolated in close-ups that would falsely heighten either their emotions or the audience's reaction. The characters are mostly seen at some distance from the camera—framed against and dwarfed by the abrupt Provençal landscape. Not one shot ever implies that they might achieve even momentary dominance over this country and climate. Quite the contrary. Even when they are sheltered from its wayward tempers, their comforts—even César's—are at once crude and fragile.

The spaciousness of Berri's style is, of course, old-fashioned, so much so that it strikes us with the force of something new. But its most important function is to link his work with two currently disused narrative traditions. One is that of the naturalistic novel, which insists on locating characters within a detailed rendering of their world, forcing the reader to recognize that the seemingly minor incidents of life reveal the workings of vast, elemental forces. The other, astonishingly enough, is Greek drama, in which the psychological intimacy among characters is irrelevant, since their destinies are determined by the workings of blind fate. Though naturalism is the controlling mode of *Jean de Florette*, audiences should bear the Greek model in mind when *Manon des Sources*, the second part of this work, is released in the fall. In it the eerily beautiful Emmanuelle Béart plays Jean's daughter Manon, now grown up and ready to take vengeance on her father's tormentors. To be prepared for this classic drama is one more reason—though none is needed—to see *Jean*. Indeed, the crowds emerging from the theater in the opening weeks seemed ready to line up at once.

By Richard Schickel



Depardieu as Jean: a matter of emotional scale
A tragedy prepares the way for a classic drama of revenge.

performance of obtuseness on record, always taking his character up to the edge of understanding, then falling back into confusion.

Acting on the grand scale compounds our relief at slipping free of our modernist bonds of regressing happily to a time when our serious fictions were both sure and energetic in their morality. But such works require time and space to grow properly. Compassion is an invitation to



Montand as Soubeyran



Béart as Manon

People

He wears a diamond stud in one ear, loves to pub-crawl with his hometown "yobbos" (rowdy pals), dotes on heavy-metal rock and has even been known to play a lick or two. So it figures that last week **Pat Cash** would find a most untraditional way to celebrate when he became the first Australian in 16 years to win the men's singles crown at Wimbledon. After routing **Ivan Lendl** 7-6, 6-2, 7-5, Cash, 22, threw a ball into the crowd and then clambered up the packed grandstand to embrace his father Pat Cash Sr. Remarked a Wimbledon official primly: "It was the first

time anything like that has happened." Once dubbed the Australian McEnroe for his on-court temper tantrums, Cash appears to have mellowed since his girlfriend Norwegian Model **Anne-Britt Kristiansen** gave birth to their 14-month-old son Daniel. Cash, though, still gets faulted by feminists. Dismissing women's tennis as "junk," he told *Woman's Own* magazine, "If I played practice game with [Boris Becker] when the women's final was on, we'd have more people watching us." Volleyed back Tennis Ace **Pam Shriver**: "He seems like someone who is a little



Cashing in: the winner with Pat Sr., Kristiansen and Daniel



Conan the Barbellian: Schwarzenegger flexing his physique for inmates

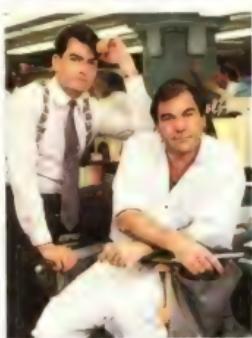
narrow-minded and maybe a little dumb." Advantage Shriver, mate?

What does Muscleman **Arnold Schwarzenegger** like to do when he isn't terminating bad guys or zapping aliens? He goes to prison. To teach body-building classes to inmates, that is. The star of the sci-fi summer hit *Predator* caused more than the usual buzz of excitement during a recent visit to the high-security California Institute for Women in Frontera. "There was a large number of women who wanted to see him," reports Associate Superintendent

Don Rasmussen. "Number one, because he's a man, and number two, because he's someone famous." Schwarzenegger spent two hours demonstrating various weight-lifting and stretching techniques, then stayed around to chat and sign autographs. What most impressed the women, says Rasmussen, was not Arnold's biceps but "how small he is in person." (Schwarzenegger's publicist says he is 6 ft. 2 in.) "They expected some really big guy and 280 lbs. to walk through the door. But he's actually kind of short." Them's fighting words, folks. But is America ready for *Conan vs.*

In the Trenches of Wall Street

Like a general getting his troops psych'd for battle, **Oliver Stone** glared across the littered landscape of buy and sell orders, coffee cups, telephones and blinking green computer monitors. "Remember," the director of *Platoon* ordered the brigade of button-down young actors, "you're supposed to be making money." Loads of it, in fact. The Viet Nam soldier turned Oscar-winning filmmaker was on location in New York City to film *Wall Street*, a \$15 million 20th Century-Fox production about the rise and fall of an ambitious young stockbroker, starring **Charlie Sheen**, his father **Martin**, **Daryl Hannah** and **Michael Douglas**. "I would have never cut the mustard on Wall Street," Stone admitted during a break



Bottom-line battle: Sheen and Stone

between scenes. "I did poorly in economics—I got a C, and my mathematics were suspect," he laughs. "I lost on every stock I ever invested in." It was not for lack of example, however. Stone was first exposed to the big-time financial world by his investment-banker father. Explains Stone, who co-wrote and directed the film: "I've always wanted to make a business movie ever since he was on the Street."

While it may seem like a long leap—both culturally and conceptually—from the steaming jungles of Viet Nam to the concrete canyons of Manhattan, Stone had his problems with both. "I don't like to work in an office," he complains. "Being under fluorescent light for two weeks is almost equivalent to being under 105° sun in the Philippines." Stone is not the only *Platoon* veteran who thinks so. Charlie Sheen traded his M-16 for an M.B.A. to play an overeager stockbroker named Bud Fox. The actor found the white-collar trenches of Gotham "much worse. When you get this overloaded mentality, it's tough to find ways to relax yourself. It's tougher than being a grunt."

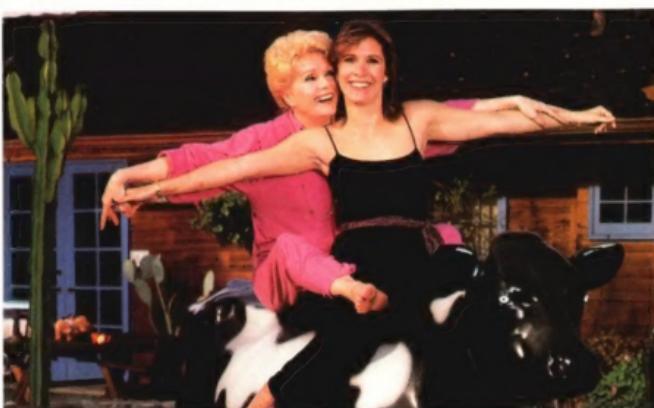
To get inside Fox's heart and mind, Sheen spent a couple of days talking with **David Brown**, a former Goldman Sachs trader



Capitalist tools: *Hannah* fortune

the Women of Cell Block Nine?

When word arrived that Calvin Coolidge was dead, she asked her fellow wits at the Algonquin Round Table, "How can they tell?" When **Dorothy Parker** died in 1967, nobody doubted that a void had been left in the ranks of major American humorists. Parker's friend and fellow writer **Lillian Hellman** arranged to have her ashes placed in a New York mortuary. But after Hellman's death three years ago, Parker's remains were moved to a safe in the Manhattan office of her executor, Attorney **Paul O'Dwyer**, who hoped that someone, possibly a distant relative, might step forward to collect them. O'Dwyer appealed to New York *Daily News* Columnist **Liz Smith**, who wrote about Parker's plight last week in her syndicated column. The result was a torrent of inquiries, including one from a wealthy Midwesterner who offered to inter Parker's remains on his country estate and another from an Arizona businessman who volunteered to create a special paint made from her ashes. O'Dwyer maintains that "we should dispose of her ashes in a fashion consistent with her stature in the arts." Meanwhile, he keeps the remains in a galvanized can wrapped in white paper. "It's a cheap thing," O'Dwyer admits. Parker's epi-



Greetings from la-la land: Reynolds and Fisher riding a decorative cow in Beverly Hills

taph for herself seems more appropriate than ever: "Excuse my dust."

At 19 she raised eyebrows by propositioning **Warren Beatty** onscreen in *Shampoo*. At 21 she took her career cosmic by playing Princess Leia in *Star Wars*. Now **Carrie Fisher**, 30, is making waves again as a first-time novelist. *Postcards from the Edge* (Simon & Schuster; \$15.95), due in bookstores next month, is a dark comedy about a troubled young actress named Suzanne

Vale. Overwhelmed by money, men and success, Suzanne ends up in a drug-rehabilitation clinic feeling like "something on the bottom of someone's shoe, and not even someone interesting." Fisher, who is the daughter of **Eddie Fisher** and **Debbie Reynolds**, has recently disclosed her own struggle with prescription barbiturates. Suzanne, admits the author, is a "character that's fairly close to me—an actress living in California with strong tendencies to be obsessive." In fact, Carrie still blames herself for the fact that her father left

the family when she was two years old. "I'm still reeling from it," says Fisher. "It makes an impression on you." Still, any references to Dad are conspicuously missing from the self-avowed roman à clef. "My route to intimacy is routine," writes Fisher's fictional protagonist. "I establish a pattern with somebody, and then I notice when they're not there." Looks like this is one case where absence did not make the heart grow fonder.

—By Guy D. Garcia.
Reported by David E. Thigpen/New York



hunting on Long Island

younger Sheen's mentor and partner in crime. Says he: "The hardest thing was probably finding that balance of seduction yet killer."

The filmmakers' quest for authentic detail provided moments of offscreen drama. Plans to use a *FORTUNE* magazine cover in exchange for promotional ads got bogged down when rival *Forbes* magazine made a similar offer. In the end, Stone stuck with *FORTUNE*, but not without milking Publisher **Malcolm Forbes**, who politely turned down later requests to use his private

yacht. More crucial was the race to finish *Wall Street* before the looming directors' strike, which was expected this week. Stone mobilized his film forces, switching the last few weeks from twelve- to 14-hour days, and wrapped on July 4, five days ahead of schedule. "It's a tragedy," says Stone of the dispute. "We want to make money too, but we're in this to have fun." Ideally, of course, *Wall Street* will produce plenty of both. —By Guy D. Garcia.
Reported by David E. Thigpen/New York



Killer instinct: Douglas, a.k.a. Gordon Gekko, plotting in his office

Music

So Long on Lonely Street

New records and hype commemorate a decade without Elvis

This is a season of anniversaries. *Sgt. Pepper's Lonely Hearts Club Band* celebrated its second decade in June, being very proper and punctual about the schedule set down in its own song: "It was twenty years ago today/ that *Sgt. Pepper* taught the band to play." Paul McCartney cut a cake in London and spoke about peace. Two other Beatles failed to show up for the party. One, of course, couldn't.

Next month, on Aug. 16 to be exact, Elvis Presley will have been dead for ten years, an anniversary that will be memorialized on a less moderate scale. This is the sort of occasion that is best honored simply, with fond memories and the playing of some choice sides. But when a record company has product to sell and an estate has merchandise to move, the date suddenly gets writ large. RCA has just released four compilations of Presley material with scrupulous "audio restoration": *The Top Ten Hits*, *The Number One Hits* and, most crucially, *The Complete Sun Sessions*, recorded at the start of his career, and *The Memphis Record*, recorded in 1969, when all the anger and antic experimentation of rock seemed to have left Elvis in the lurch. The 23 songs on *The Memphis Record* (never released all together until now) were originally conceived as a reassessment of Presley's primacy. In 1987 they sound like a premature last testament. *The Memphis Record*, as it turns out, is one of the great legacies of American music.

For some fans, however, not even the music is enough. Elvis' Memphis home, Graceland, already a prime tourist attraction, will gear up for everything from candlelight vigils to a 5-km run. Lucy de Barbin, who claims that her daughter Desirée was fathered by Elvis, is pushing the recently published *Are You Lonesome Tonight?*, which purports to dish out the hot sticky behind the entire episode. Meanwhile, the King's official ex-wife, actress Priscilla Presley, is offering a one-hour video tour of *Elvis Presley's Graceland*. It isn't hard to figure what Elvis would have made of all this fuss: he was used to it. Besides, Colonel Tom Parker, his manager, could always work it out so that he and his boy got a good cut of the action.

There was one thing that was not manageable, though, not even with all Parker's Snopesian smarts. Elvis' reckoning with history was beyond anyone's reach, including, at the last, his very own. He died bloated with his own excess and everyone else's expectations. He did not invent rock 'n' roll, but he forged it and focused it, and he was the first great rock su-



The King in his cat clothes: summer, 1955

That's fine. Hell, that's different.

perstar. He haunted his contemporaries like Jerry Lee Lewis, who once showed up outside Graceland waving a pistol and demanding an audience. John Lennon, Bob Dylan, Bruce Springsteen, John Fogerty—all dreamed of him and were daunted not only by his gift but by his daintiness. He was the rocker they yearned to be and feared becoming.

Elvis sold his soul many times over—nightly, in Vegas dates; routinely, in all those musicals filmed in Hollywood as if they were popped out of a microwave—but he never sold out. He probably sang *My Way* in his later years as often as he sang *Heartbreak Hotel*, but it was never clear that Elvis himself thought all the trash amounted to short change. Even during his earliest recording dates at Sun Records, he did a Billy Eckstine favorite as well as an Arthur ("Big Boy") Crudup blues, and he was always a big Dean Martin fan. He

could puff and perspire all over a stage on the Vegas strip and show up back home to sing some heavenly gospel. Whatever he did and however he sang, it always seemed as if he were paying the vig on some spiritual debt that kept mounting until, with the aid of a few prescription drugs, it finally crushed him.

It is impossible to know the exact nature of that debt, of course, but its depth can be felt in all his best music. The joy, the brazen melodrama, the low tragedy and the raunch all range free on the two greatest hits packages. *The Sun Sessions*, first released in 1976, is a seminal record. This new version offers alternate takes and outtakes, including an unlikely version of *Harbor Lights*, and makes a fascinating history of one scuffling producer (Sun Founder and Rock Pioneer Sam Phillips) and three good ole boys (Elvis, Lead Guitarist Scotty Moore, Bass Player Bill Black) groping toward greatness. "That's fine," says Sam Phillips after one take on *Blue Moon of Kentucky*. "Hell, that's different. That's a pop song now, nearly 'bout.' All the difference, and all the history, hovered around that 'nearly.' It took a while, but that new territory was finally called rock 'n' roll, and after a time, it looked like it might shut Elvis out.

The material on *The Memphis Record* was meant to catch him up with history, and he hit pay dirt. In *The Ghetto* gave him his first Top Ten hit in four years; the second single from those sessions, *Suspicious Minds*, was his first No. 1 single since 1962. Gregg Geller, the archivist who supervised these four releases, has gathered the songs from those twelve days of studio work into a double album that is a bedrock classic. Elvis never again sang this consistently or this passionately. There are blues and country here, gospel and rock and pop, all sung as if Presley's life depended on each tune. It did, in a sense, and reclaiming himself, just this once, seemed enough. It gave him the strength to get on for another eight years. But listen to *Long Black Limousine*, and it's clear that Elvis knew what was waiting around the corner.

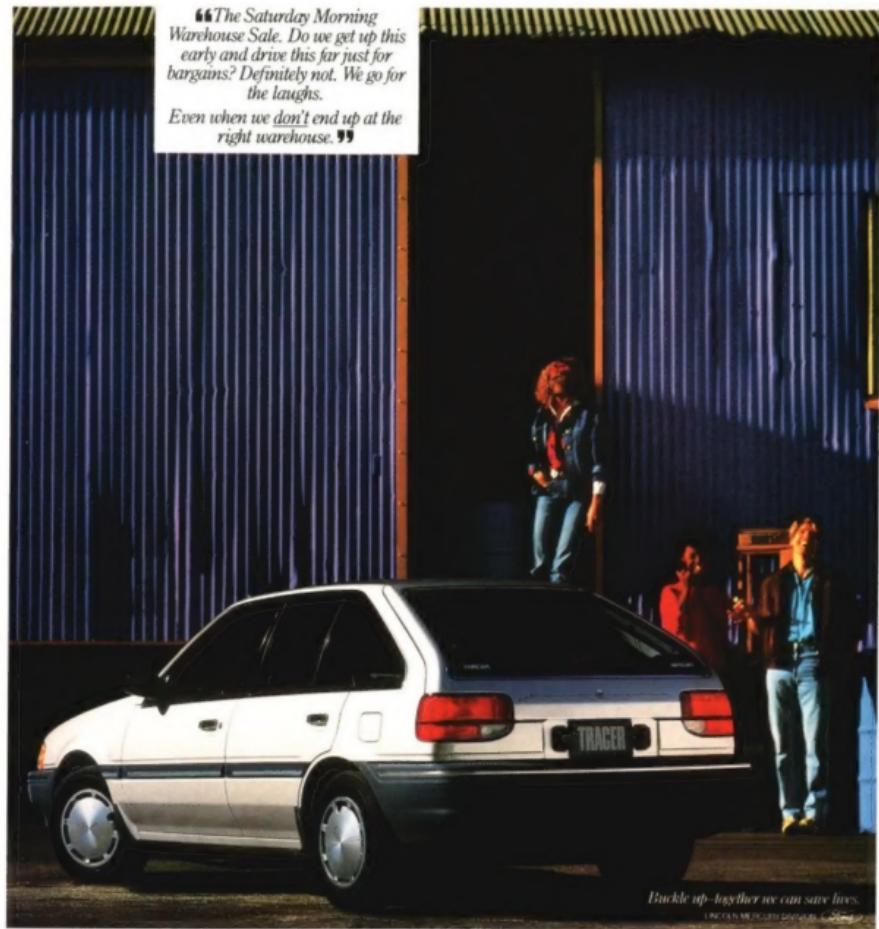
The Memphis Record is full of triumph and despair. It is saturated with Presley's power and baptized with his loneliness. "He tried not to show it," Phillips recalled, "but he felt so inferior." Presley probably innately was the most introverted person that [ever] came into that studio. He didn't play with bands. He didn't go to this little club and pick and grin. All he did was set with his guitar on the side of his bed at home. I don't think he even played on the front porch." He sang out and reached out, but, after all, maybe it's just as simple as that. Elvis Presley always sang to himself.

—By Jay Cocks



“The Saturday Morning Warehouse Sale. Do we get up this early and drive this far just for bargains? Definitely not. We go for the laughs.

Even when we don't end up at the right warehouse.”



*Buckle up—*together we can save lives.**
UNIVERSITY OF CALIFORNIA, BERKELEY

**THE 68 standard features
of new MERCURY
TRACER. Because the best friends
are the ones that go
out of their way for you.**

 **MERCURY**
The shape you want to be in.

Dual power remote-control mirrors ■ Rear seat heat ducts ■ AM/FM stereo ■ Side window demisters ■ Electronic fuel-injection ■ Front-wheel drive ■ Four-wheel independent suspension ■ Power front disc brakes ■ 5-speed manual transaxle ■ Tachometer ■ 50/50 split-fold rear seat ■ 6-year/60,000-mile powertrain warranty* ■ And 56 other unexpected standard features ■ For more information call 1 800 822-8292

To buy or lease, see your Lincoln-Mercury dealer. *Restrictions and deductibles apply. Ask to see this limited warranty at your dealer.

VANTAGE

PERFORMANCE COUNTS.
THE THRILL OF REAL CIGARETTE TASTE IN A LOW TAR.



9 mg. "tar", 0.7 mg. nicotine av. per cigarette by FTC method.

SURGEON GENERAL'S WARNING: Smoking By Pregnant Women May Result in Fetal Injury, Premature Birth, And Low Birth Weight.

© 1997 R.J. REYNOLDS TOBACCO CO.